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HEARINGS

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SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN SUGAR REFINING CO. AND OTHERS

TUESDAY, JULY 25, 1911

HOUSE OF REPRESENTATIVES

WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

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**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN
SUGAR REFINING CO.**

HOUSE OF REPRESENTATIVES.

THOMAS W. HARDWICK, *Chairman.*

**FINIS J. GARRETT.
WILLIAM SULZER.
JOHN E. RAKER.
H. M. JACOWAY, Jr.**

**GEORGE R. MALBY.
J. W. FORDNEY.
E. H. MADISON.
A. C. HINDS.**

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AMERICAN SUGAR REFINING CO.

SPECIAL COMMITTEE ON THE INVESTIGATION
OF THE AMERICAN SUGAR REFINING CO. AND OTHERS,
New York City, Tuesday, July 25, 1911.

The committee met at 10 o'clock a. m., Hon. Thomas W. Hardwick (chairman) presiding.

The CHAIRMAN. I will ask Mr. Mott to take the stand.

TESTIMONY OF MR. HENRY C. MOTT.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Mr. Mott, give the stenographer your name.

Mr. MOTT. Henry C. Mott.

The CHAIRMAN. Your address?

Mr. MOTT. 117 Wall Street.

The CHAIRMAN. Your business?

Mr. MOTT. Buyer of raw sugar for the American Sugar Refining Co.

The CHAIRMAN. Are you a director in the American Sugar Refining Co.?

Mr. MOTT. I am.

The CHAIRMAN. How long have you been a director in the American Sugar Refining Co.?

Mr. MOTT. Since the latter part of February, 1908.

The CHAIRMAN. In other words, you became a director soon after Mr. Henry O. Havemeyer's death?

Mr. MOTT. Yes, sir.

The CHAIRMAN. When the company was reorganized in a way?

Mr. MOTT. Yes, sir.

The CHAIRMAN. How long have you been in the employ of the American Sugar Refining Co.?

Mr. MOTT. Since its inception.

The CHAIRMAN. Since 1887?

Mr. MOTT. Yes.

The CHAIRMAN. The American Sugar Refining Co. was organized in January, 1891, was it not?

Mr. MOTT. Yes.

The CHAIRMAN. Were you in the employment of the Sugar Refineries Co., which was formed in 1887?

Mr. MOTT. I was in the employment of one of the companies that went into that concern.

The CHAIRMAN. Which one of the companies?

Mr. MOTT. The Decastro & Donner Sugar Refining Co.

The CHAIRMAN. Were you a partner in the Decastro & Donner Sugar Refining Co.?

Mr. MOTT. No, sir.

The CHAIRMAN. What position did you hold with the Decastro & Donner?

Mr. MOTT. A clerical one.

The CHAIRMAN. Bookkeeper?

Mr. MOTT. Yes.

The CHAIRMAN. You were a bookkeeper with them?

Mr. MOTT. A clerk; yes.

The CHAIRMAN. What was the character of your duties with them?

Mr. MOTT. It was bookkeeping.

The CHAIRMAN. Now, Decastro & Donner had three factories, did they not?

Mr. MOTT. Yes; they had three factories.

The CHAIRMAN. At Brooklyn, N. Y.?

Mr. MOTT. Yes.

The CHAIRMAN. With a total daily refining capacity of about how many pounds?

Mr. MOTT. I could not tell you that.

The CHAIRMAN. Well, the statement in the bill filed by Mr. Wise is 1,200,000. Is that about right, or do you know?

Mr. MOTT. I do not know.

The CHAIRMAN. Were you the head bookkeeper?

Mr. MOTT. Oh, no.

The CHAIRMAN. Was your position of enough responsibility to give you a knowledge of the big part of the business?

Mr. MOTT. No, sir; I started as a bill clerk.

The CHAIRMAN. I mean at the time of this combination.

Mr. MOTT. No; I was employed as a general clerk.

The CHAIRMAN. Well, were you somewhere near the top of the clerical force at that time, in 1887?

Mr. MOTT. No, sir.

The CHAIRMAN. You were not the head bookkeeper?

Mr. MOTT. No, indeed.

The CHAIRMAN. Or the head clerk?

Mr. MOTT. No, indeed.

The CHAIRMAN. Nor any way near the top—not even the first assistant in those things?

Mr. MOTT. No, sir.

The CHAIRMAN. Have you any idea of the value of the Decastro & Donner plant at that time?

Mr. MOTT. Not the slightest.

The CHAIRMAN. And you do not know what they got for it when they put it into the Sugar Refineries Co.?

Mr. MOTT. I do not.

The CHAIRMAN. Now, after the Sugar Refineries Co. was formed in 1887, you say you still stayed with Decastro & Donner or with the Sugar Refineries Co.?

Mr. MOTT. The Decastro & Donner Sugar Refining Co. was at that time under the management of Havemeyers & Elder Sugar Refining Co.

The CHAIRMAN. It was consolidated with the Havemeyers & Elder plant, was it not?

Mr. MOTT. They got control of it or they managed it.

The CHAIRMAN. Did you not then go into the Havemeyers & Elder office?

Mr. MOTT. We were together—the Decastro & Donner clerks and the Havemeyers & Elder clerks.

The CHAIRMAN. Therefore after the consolidation of 1887 you were working with Havemeyers & Elder, were you not?

Mr. MOTT. With the Havemeyers & Elder Sugar Refining Co., I believe it was.

The CHAIRMAN. It was the Havemeyers & Elder Sugar Refining Co. after they incorporated the partnership?

Mr. MOTT. Yes.

The CHAIRMAN. Who was at the head of that concern?

Mr. MOTT. Henry O. Havemeyer.

The CHAIRMAN. Did you know Henry O. Havemeyer personally?

Mr. MOTT. I did.

The CHAIRMAN. Did you know him well?

Mr. MOTT. I should say so.

The CHAIRMAN. In a social way?

Mr. MOTT. No; not at all.

The CHAIRMAN. In a business way?

Mr. MOTT. In a business way.

The CHAIRMAN. Were your business duties with the Havemeyers & Elder Sugar Refining Co. such as to bring you in close and intimate contact with Henry O. Havemeyer?

Mr. MOTT. Well, I should not say "intimate contact." He was there daily, and he was the head of the business.

The CHAIRMAN. What did you have to do with him? Give us in a general way a sketch of how you were brought in contact with him in a business way.

Mr. MOTT. Well, he ran the business and the office, and I was one of the subordinates there who, from time to time, got instructions which came from him.

The CHAIRMAN. From time to time your instructions came direct from him. Now, you say you were one of the subordinates in the office. What was the particular nature of your duties as a subordinate in that office?

Mr. MOTT. They were clerical.

The CHAIRMAN. Bookkeeping?

Mr. MOTT. Bookkeeping; yes.

The CHAIRMAN. And letter writing?

Mr. MOTT. To some extent.

The CHAIRMAN. Did you write letters to various people at the suggestion of Mr. Havemeyer, by his direction and by his order?

Mr. MOTT. I did.

The CHAIRMAN. Now, did you do any of that sort of work for Mr. Havemeyer prior to the formation of the Sugar Refineries Co. in 1887?

Mr. MOTT. I could not say positively as to that; very likely.

The CHAIRMAN. Are you acquainted in a way with the various steps taken by Mr. Havemeyer to consolidate the sugar interests of the country?

Mr. MOTT. No, sir.

The CHAIRMAN. Did you, at his dictation, write letters relating to shutting down some refineries and limiting the output of other refineries and fixing the prices for all refineries?

Mr. MOTT. Never.

The CHAIRMAN. Do you remember when the Sugar Refineries Co. acquired the Philadelphia plant?

Mr. MOTT. I remember hearing of it at some time, either at that time or subsequently.

The CHAIRMAN. Now, did you not conduct any correspondence relative to that matter for Mr. Havemeyer?

Mr. MOTT. I have no recollection of having done so.

The CHAIRMAN. And you had no knowledge of it growing out of your connection with Havemeyer & Elder?

Mr. MOTT. I think not.

The CHAIRMAN. Do you remember when the Sugar Refineries Co. or the American, which was its successor, made its Baltimore venture?

Mr. MOTT. No.

The CHAIRMAN. Bought up the stock in a Baltimore refinery and finally closed down?

Mr. MOTT. I knew nothing of it.

Mr. CHAIRMAN. You knew nothing of that?

Mr. MOTT. No, sir.

The CHAIRMAN. Do you remember when the American Sugar Refining Co. went into the beet business?

Mr. MOTT. I remember the growth of that beet business.

The CHAIRMAN. Do you remember the American Co. embarking into it. I do not mean the year or date, but the fact that they did?

Mr. MOTT. I do not know that I was aware that they embarked in the business. I knew something about the beet business.

The CHAIRMAN. Well, how did you learn anything about the beet business?

Mr. MOTT. Well, I heard of it in the office?

The CHAIRMAN. You heard of it in the office?

Mr. MOTT. Yes.

The CHAIRMAN. How did you hear of it in the office?

Mr. MOTT. Well, I may have had something to do with some of the papers connected with the beet sugar companies.

The CHAIRMAN. If you had to do with the papers connected with that business, could you not tell us what it was you had to do with it?

Mr. MOTT. I think I recollect tabulating some of these papers and putting them in the compartments of the safe.

The CHAIRMAN. Some of what papers?

Mr. MOTT. Papers relating to beet-sugar factories in the West.

The CHAIRMAN. What kind of papers?

Mr. MOTT. I can not say now what they were, really; correspondence, perhaps.

The CHAIRMAN. Correspondence on the subject of stock in these beet sugar companies?

Mr. MOTT. Yes; I think so.

The CHAIRMAN. And the advisability of investing in the beet sugar companies?

Mr. MOTT. I presume that is so.

The CHAIRMAN. And a plan for extending the beet sugar interests of the American Co.?

Mr. MOTT. I do not think I knew anything of that.

The CHAIRMAN. It was just relative to acquiring stock in the beet sugar business that you remember something about?

Mr. MOTT. That is all, I think.

The CHAIRMAN. And that was in a very indefinite way?

Mr. MOTT. Very indefinite.

The CHAIRMAN. But that correspondence is there yet, is it?

Mr. MOTT. I do not know.

The CHAIRMAN. What did you do with it, when you got through with it, if you handled it?

Mr. MOTT. It was left in Mr. Havemeyer's charge.

The CHAIRMAN. That was a part of the office records of the concern, was it not?

Mr. MOTT. They were in his hands.

The CHAIRMAN. How is that, Mr. Mott?

Mr. MOTT. They were in his hands.

The CHAIRMAN. Well, was Mr. Havemeyer's correspondence of the kind you managed for him, a part of the office records of the company? Where did you keep the copies and the originals, and so forth, at the company's office?

Mr. MOTT. Yes.

The CHAIRMAN. In Mr. Havemeyer's private office?

Mr. MOTT. In Mr. Havemeyer's private office.

The CHAIRMAN. And they were a part of the company's records?

Mr. MOTT. Such as was the company's business.

The CHAIRMAN. That is what I say; about the company's investment in beet sugar, all that was a part of the company's records, was it not?

Mr. MOTT. I think so; yes.

The CHAIRMAN. Now, do you know anything about the conduct of the American Sugar Refining Co., so far as concerns the acquisition either of cane refineries or stocks of beet-sugar companies, other than what you have told me already?

Mr. MOTT. I do not.

The CHAIRMAN. Did you ever occupy, Mr. Mott, somewhat the position of confidential secretary to Henry O. Havemeyer?

Mr. MOTT. No, sir; I do not think I did.

The CHAIRMAN. You do not think you did?

Mr. MOTT. No, sir.

The CHAIRMAN. Don't you know?

Mr. MOTT. Yes; I did not.

The CHAIRMAN. Were you his private secretary?

Mr. MOTT. He had none that I ever knew of.

The CHAIRMAN. Were you the nearest to it that he had?

Mr. MOTT. I think he used many people to do his correspondence.

The CHAIRMAN. Did you generally go through his mail first?

Mr. MOTT. No, sir.

The CHAIRMAN. Did he turn over his mail to you, such of it as he did not want to answer himself, for you to answer under his direction?

Mr. MOTT. Specific letters from time to time, that is all. He ran his own affairs.

The CHAIRMAN. Do you remember handling the correspondence in the case of the Pennsylvania Sugar Refining Co.?

Mr. MOTT. I never saw anything of such correspondence, that I am aware of, or recollect.

The CHAIRMAN. So far as you are now aware, you recall nothing about the correspondence in relation to that?

Mr. MOTT. Absolutely nothing.

The CHAIRMAN. Do you remember handling any of the correspondence in reference to the Spreckels combination or agreement or consolidation or composition, or whatever it was?

Mr. MOTT. I do not.

The CHAIRMAN. Do you remember the facts, from your business connection with this concern, that Havemeyer and Claus Spreckels, elder, finally composed and compromised their differences, the American finally becoming the owner of one-half and eventually all of the Spreckels Sugar Refining Co. of Philadelphia, and a half interest on the coast?

Mr. MOTT. I do not know it of my own knowledge.

The CHAIRMAN. I mean do you know it from your connection with that business? Did you handle any of that correspondence?

Mr. MOTT. I have no recollection of it.

The CHAIRMAN. What is your present position with the American Sugar Refining Co.?

Mr. MOTT. I have charge of the buying and distribution of the raw sugar.

The CHAIRMAN. By that you mean you buy raw sugar for all the different plants of the American Sugar Refining Co. and allot to them their proportion?

Mr. MOTT. Yes.

The CHAIRMAN. How long have you been doing that?

Mr. MOTT. Since 1897.

The CHAIRMAN. Do you buy raw sugar in Louisiana?

Mr. MOTT. I do not.

The CHAIRMAN. I mean, have you got control of that matter?

Mr. MOTT. It is done under my direction; through me.

The CHAIRMAN. Under directions; through you?

Mr. MOTT. Yes, sir.

The CHAIRMAN. In buying sugar from Louisiana—of course I mean raw sugar, because that is what you handle—you have nothing to do with refined sugar?

Mr. MOTT. Nothing.

The CHAIRMAN. In buying raw sugar in Louisiana, do you subtract anything from the New York market price of raw sugar?

Mr. MOTT. There is a reduction from that price.

The CHAIRMAN. How much reduction from that price?

Mr. MOTT. It varies.

The CHAIRMAN. Well, give us an average. For instance, what is it now?

Mr. MOTT. Well, there is no Louisiana sugar for sale now.

The CHAIRMAN. When the last sugar campaign was on in Louisiana, and the planters were selling you their raw sugar, tell us what that difference averaged then.

Mr. MOTT. Fifteen cents a hundred.

The CHAIRMAN. Now average it through five years past and what would it average, substantially?

Mr. MOTT. Not very much greater than that; perhaps 18 cents.

The CHAIRMAN. What is the freight rate from New York to New Orleans on raw sugar?

Mr. MOTT. About 15 cents.

The CHAIRMAN. Have you any competition in the Louisiana market for the purchase of raw sugar?

Mr. MOTT. Yes.

The CHAIRMAN. Who?

Mr. MOTT. The Arbuckle Sugar Refinery.

The CHAIRMAN. Do Arbuckle Bros. buy sugar in the New Orleans market or anywhere in Louisiana?

Mr. MOTT. They have bought it.

The CHAIRMAN. They have gone down to New Orleans and bought it?

Mr. MOTT. They have.

The CHAIRMAN. Can you give me the day and year?

Mr. MOTT. I have not got it in my memory now.

The CHAIRMAN. Well, come as near as you can to it. Press your memory a little, because there has been some testimony different from that.

Mr. CRAWFORD. Mr. Arbuckle so testified yesterday, Mr. Chairman, I am informed.

The CHAIRMAN. Was not this the way Arbuckle bought that sugar: Did not a man named Burguières and some of his associates sell Arbuckle sugar for the last two or three campaigns, and sell it to him f. o. b. New York? Is that what you refer to?

Mr. MOTT. No; I do not refer to that. I refer to cases where Arbuckle has bought through a representative in New Orleans, in the market there, raw sugar; say three or four years ago, perhaps.

The CHAIRMAN. Do you know the name of that representative?

Mr. MOTT. I would not be certain, but I think it was John Barclay & Co.

The CHAIRMAN. John Barclay & Co., of New Orleans, La.?

Mr. MOTT. Yes; but I would not be certain of that.

The CHAIRMAN. Well, we will take that answer and if you want to correct it after you look it up, we will allow you to do so. Now, that is the only instance you can think of where he has bought directly on the New Orleans market?

Mr. MOTT. The other buying amounts to the same thing.

The CHAIRMAN. I am not asking you about that. We will come to that in a minute. I am perfectly willing you should tell about that, and I think it is proper you should do so. I am speaking now of going to New Orleans and through some agent or broker buying at New Orleans on the market there. Can you recall any other instance?

Mr. MOTT. The Federal, I believe, have done it.

The CHAIRMAN. Mr. Claus Spreckels testified about that. Did you read or hear his testimony?

Mr. MOTT. I heard a portion of it, but not regarding that point, and I read some of it in the papers.

The CHAIRMAN. Mr. Spreckels said he had a great deal of trouble buying down there. Of course you do not know anything about that, one way or the other?

Mr. MOTT. No; I do not.

The CHAIRMAN. And that a man named Mr. Burguières, an important man in New Orleans in the sugar business evidently—you know him?

Mr. MOTT. I had the pleasure of meeting him yesterday for the first time.

The CHAIRMAN. Is he in the city now?

Mr. MOTT. He called at my office yesterday.

The CHAIRMAN. He told us about the difficulty that he had had in getting the planters down there to sell to anybody except the American, and particularly to the Federal, and it appears from the evidence so far submitted to us that with all the influence of those influential men who were willing to deal with the Federal that they could not get more than a third or a half of a steamer load. Can you add anything to what we have already heard on that subject?

Mr. MOTT. I can not conceive of the possibility of a man going down there to buy sugar and not being able to get what he wants.

The CHAIRMAN. Particularly if he will give more than the market?

Mr. MOTT. Exactly. I was just going to say that.

The CHAIRMAN. Now, they all agree that they offered one thirty-second of a cent more than the American, and every time the American price went up he went up one thirty-second of a cent over it.

Mr. MOTT. I would guarantee to go to New Orleans or any other place with authority to pay one thirty-second more than the market, and if I had the cash or the credit I would guarantee to buy all I wanted to.

The CHAIRMAN. Mr. Burguières, who undertook to do that, found it a very difficult matter to carry out such a guarantee—if he is to be believed in this matter, and, of course, I do not ask you to express any opinion on a subject like that—but here was a man who actually tried that. Do you know why he failed? He said he had the actual cash at a time when most of the banks were using clearing-house certificates.

Mr. MOTT. There may have been conditions connected with their method of purchase that was not as satisfactory as ours were. That may be. I know nothing of it.

The CHAIRMAN. The only condition he mentioned was the displeasure of the American, if they did sell it.

Mr. MOTT. I know nothing of that.

The CHAIRMAN. Now, he makes the statement that after he undertook to get up this cargo—this steamer load of sugar down there on the New Orleans market—that for some time thereafter he was boycotted by the local buyer of the American Sugar Refining Co., or the local manager, who told him in so many words that the reason for boycotting him was because he had undertaken to sell to the Federal and to get his friends to sell to the Federal. Do you know anything about that?

Mr. MOTT. I do not.

The CHAIRMAN. So that you are not familiar with the conduct and actions of your local manager in New Orleans?

Mr. MOTT. No; not as to details.

The CHAIRMAN. You leave the details to him?

Mr. MOTT. Very much.

The CHAIRMAN. And you can not say whether he adopted that detail, or what he did as to that situation?

Mr. MOTT. I can not believe it is possible he did that.

The CHAIRMAN. What is his name?

Mr. MOTT. Mr. Witherspoon.

The CHAIRMAN. Is he your manager there now?

Mr. MOTT. He is.

The CHAIRMAN. And was he, at the time Mr. Spreckels undertook to buy this sugar for the Federal Co.?

Mr. MOTT. He was.

The CHAIRMAN. And he is the gentleman to whom Mr. Burguières refers as having passed his table by and told him he did it for that reason?

Mr. MOTT. Undoubtedly.

The CHAIRMAN. My colleague very properly suggests this question, What sort of a system do you adopt in buying sugars in Louisiana? Do you give these agents instructions what price to pay?

Mr. MOTT. Usually, yes.

The CHAIRMAN. Are there exceptions to that rule?

Mr. MOTT. Yes; there are times when it is left to his discretion what he shall do.

The CHAIRMAN. Do you ever leave it to his discretion to exceed the limit you give him?

Mr. MOTT. Yes, sir.

The CHAIRMAN. Of course, it is always within his discretion to buy it as much under the price as he can?

Mr. MOTT. That goes without saying.

The CHAIRMAN. Why do you give him that authority, and when do you do so?

Mr. MOTT. Well, at times when the market conditions should warrant it, or we desire to accumulate a larger quantity than we are getting.

The CHAIRMAN. When your stock is short, or when the market conditions of the world seem to indicate to you that sugar is going up, at such times he has authority, if necessary, to go over the limit you have given him?

Mr. MOTT. That would be the case.

The CHAIRMAN. But the rule is, he follows the instructions you give him as to the prices?

Mr. MOTT. As a rule.

The CHAIRMAN. And when he is authorized to go over that figure which you have given him, you give him such authority at the same time you give the instructions, do you not?

Mr. MOTT. Yes.

The CHAIRMAN. In other words, he has no general authority to do that, except when such authority is specifically given?

Mr. MOTT. At times he has had authority to buy what we needed there, and pay what he had to pay for it.

The CHAIRMAN. But whenever that authority was given to him, it was expressly given?

Mr. MOTT. Undoubtedly.

The CHAIRMAN. Are there any competitive buyers in that market other than the instances you have specified?

Mr. MOTT. There are.

The CHAIRMAN. Who are they?

Mr. MOTT. There is the Henderson Sugar Refining Co.

The CHAIRMAN. That is a small concern?

Mr. MOTT. That is a rather small concern.

The CHAIRMAN. Can you give me substantially its capacity in barrels?

Mr. MOTT. I think not over 1,000 barrels per day.

The CHAIRMAN. What is the capacity of the Chalmette refinery?

Mr. MOTT. Between 8,000 and 9,000 barrels.

The CHAIRMAN. What is the total combined capacity of the American cane refineries everywhere?

Mr. MOTT. I have not that in my head just at the moment.

The CHAIRMAN. Well, figure it out for us a moment, substantially, and read them out as you write them down.

Mr. MOTT. In barrels of refined sugar?

The CHAIRMAN. Yes; per day.

Mr. MOTT. Havemeyers & Elder, 14,000 barrels per day; Jersey City, 5,000.

Mr. SULZER. What is the name of the company in Jersey City?

Mr. MOTT. Matthiessen & Wiechers Sugar Refining Co.; Spreckels, Philadelphia, 9,000 barrels; Boston, 3,000 barrels; New Orleans, 9,000 barrels, making a total of 40,000 barrels.

Mr. SULZER. Is that the Chalmette Refinery in New Orleans?

Mr. MOTT. That is the Chalmette I have referred to.

The CHAIRMAN. We have those figures given as 12,000 or 15,000 barrels.

Mr. MOTT. I think 15,000 is excessive.

The CHAIRMAN. These figures you have given us are the actual refining capacities?

Mr. MOTT. I am giving you, for instance, the capacity of the Havemeyers & Elder plant, I mean roughly, in outturn of barrels, 14,000, and that refinery is not running at full capacity now.

The CHAIRMAN. It is not running at full capacity?

Mr. MOTT. It is not now; I am giving you its full capacity. They are at present engaged in a great deal of work in removal of boilers, and they are not running full capacity by any means now.

The CHAIRMAN. The figures you have just given to the reporter are the full capacities of the plants, according to your estimate?

Mr. MOTT. Yes.

The CHAIRMAN. And they sometimes run at full capacity and sometimes they do not; is that the way of it?

Mr. MOTT. Exactly.

The CHAIRMAN. Do you have any rule of action or rule of conduct with reference to your buyers, as to holding them responsible for keeping out competitors or keeping down competitive buying in Louisiana or elsewhere?

Mr. MOTT. No; I never did.

The CHAIRMAN. Mr. Mott, I am going to return just a moment to a branch of this inquiry which I had left temporarily. I want you to tell the committee, frankly and fully, if you have any such knowl-

edge, what knowledge you acquired by reason of your intimate association with Henry O. Havemeyer of his plans and conduct with reference to the various steps in his attempted consolidation of the sugar industries of this country. Now, if you have no knowledge at all, just say so; but if you have any, I would like to know it.

Mr. MOTT. I have no knowledge.

The CHAIRMAN. None whatever?

Mr. MOTT. He made no confidant of me.

The CHAIRMAN. I mean knowledge that could have been acquired by you from the directions he gave you as to writing various letters, and as to various business matters committed to your charge while you were under him.

Mr. MOTT. I do not believe I ever was instructed to write any letter in regard to the subject of your question.

The CHAIRMAN. Did you have any conferences with him of a business nature, or did he give you any directions of a business character, which could have given you any knowledge of any of these subjects?

Mr. MOTT. No, sir.

The CHAIRMAN. None whatever?

Mr. MOTT. No, sir.

The CHAIRMAN. At any time, from the time you went in, in 1887, until he died—during the whole 20 years—you knew nothing about the way the thing was being planned and operated?

Mr. MOTT. No.

The CHAIRMAN. No details even?

Mr. MOTT. Nothing.

The CHAIRMAN. And you were as near his confidential man as anybody he had?

Mr. MOTT. I do not say so; I think not.

The CHAIRMAN. You say not?

Mr. MOTT. I think not.

The CHAIRMAN. Who was his nearest confidential man? He must have had somebody he trusted his private and most particular affairs to.

Mr. MOTT. I think he used many people for that.

The CHAIRMAN. Well, were you as close to him as any of them, in a business way, I mean? I do not mean that you were his social companion.

Mr. MOTT. I suppose he placed confidence in me, of course, in my position there as a buyer since 1897.

The CHAIRMAN. You have been a buyer since 1897?

Mr. MOTT. Yes.

The CHAIRMAN. Now, you said just now that you allotted to the various refineries their share of this raw sugar, did you not?

Mr. MOTT. Distributed it as needs required.

The CHAIRMAN. Well, that is practically the same thing, is it not?

Mr. MOTT. Yes, sir.

The CHAIRMAN. How do you determine that distribution?

Mr. MOTT. By the meltings which they maintain and the stocks they have on hand.

The CHAIRMAN. Now, when these refineries are not running at full capacity, as they often are not, who decides to what capacity each one shall be run?

Mr. MOTT. The president of the company would decide that.

The CHAIRMAN. Does he give you your directions on that subject?

Mr. MOTT. I get no directions as to the meltings of the various refineries; that is, they are given to the superintendents of the various refineries.

The CHAIRMAN. As to what extent to keep their factory going?

Mr. MOTT. Yes.

The CHAIRMAN. And they notify you how much raw sugar they need to keep the factory running in that way? Is that the system?

Mr. MOTT. Yes, sir.

The CHAIRMAN. And then you undertake to furnish them with the amount of raw sugar they have made requisition on you for; is that the idea?

Mr. MOTT. That is substantially correct.

The CHAIRMAN. You then fill the requisitions of these local superintendents; is that correct?

Mr. MOTT. To a large extent.

The CHAIRMAN. Well, do you undertake to change them?

Mr. MOTT. No.

The CHAIRMAN. Well, then you follow the requisitions to the entire extent, do you not?

Mr. MOTT. They can not carry more sugar than they have capacity for.

The CHAIRMAN. Well, the managers know that as well as you, do they not?

Mr. MOTT. Yes, sir.

The CHAIRMAN. In other words, you supply them with such raw sugar as they require of you, or you undertake to do that?

Mr. MOTT. They have to take what I send them, if they are able to handle it; but from time to time they may advise what is more desirable for them, or notify me that they can not take care of as much cargo, not having the room for it.

The CHAIRMAN. Now, you say they have to take what you send them. What you send them is determined by the policy agreed on by the company's directors and president as to what capacity each one of them shall be run at, is it not?

Mr. MOTT. That would be it.

The CHAIRMAN. Where do you buy your sugar, Mr. Mott?

Mr. MOTT. Mostly in New York.

The CHAIRMAN. You buy practically the entire Louisiana crop, do you not?

Mr. MOTT. By no means.

The CHAIRMAN. Do you not buy 80 per cent of it?

Mr. MOTT. A little over 60 per cent.

The CHAIRMAN. Substantially, about how much over 60 per cent.

Mr. MOTT. Very little over 60 per cent. It may be 63 or 64 per cent.

The CHAIRMAN. You buy 63 or 64 per cent of the Louisiana raw crop?

Mr. MOTT. Yes, sir.

The CHAIRMAN. Who buys the balance?

Mr. MOTT. A large quantity of it goes into direct consumption.

The CHAIRMAN. They call that plantation sugar?

Mr. MOTT. Clarified and grocery grades.

The CHAIRMAN. Would 20 per cent of it be your estimate as to the amount that goes into direct consumption from your knowledge of the situation?

Mr. MOTT. I dare say.

The CHAIRMAN. I think we have had that estimate submitted to us.

Mr. MOTT. I dare say.

The CHAIRMAN. Who gets the other 16 or 17 per cent?

Mr. MOTT. Well, for instance, the sugar that has been bought by Arbuckle, the Henderson refinery, and the Colonial Sugar Refinery down there in Louisiana.

The CHAIRMAN. The Colonial Sugar Refinery is a very small refinery, is it not?

Mr. MOTT. It is not so small. They have enlarged it considerably.

The CHAIRMAN. Is it larger than the Henderson refinery?

Mr. MOTT. Yes, sir.

The CHAIRMAN. How much larger?

Mr. MOTT. I think their capacity is something like double that of the Henderson refinery.

The CHAIRMAN. So the Colonial and Henderson and Arbuckle refineries for the last year or two have gotten that amount, Arbuckle having the raw sugar shipped up here to New York and delivered to him f. o. b. New York? They have got the balance of it?

Mr. MOTT. That is about right, I think.

The CHAIRMAN. What is the object of making this deduction of 15 or 18 points, the difference between New York and New Orleans raw sugar?

Mr. MOTT. The conditions that surround the making and marketing of the Louisiana crop are these: Their sugar is commenced to be made, say, in the last 10 days of October, in a small way, and by the 15th of January it is entirely over. In fact, by the first of January, probably 80 per cent of the production is through with, and has been marketed. Now, as I have told you, we buy some sixty-odd per cent of their crop, the average crop being 300,000 tons. Of course it varies, but that is a very good average.

The CHAIRMAN. Then you buy something like 200,000 tons?

Mr. MOTT. We buy from 180,000 tons upwards.

The CHAIRMAN. Well, 62 or 63 per cent would be about 200,000 tons.

Mr. MOTT. Very nearly. This is bought on the New York price prevailing on the day or on the day before, as may be agreed upon. The sugars are delivered to us and we take them and pay for the sugars in five days, cash. The capacity of the Chalmette refinery to work these sugars up from the 1st of November, which is about the earliest date when there is sufficient sugar in sight to be able to start a plant, to the 31st of December, is 75,000 tons. I think not to exceed that amount. During that time we would have delivered to us 150,000 tons, perhaps more, of this sugar, so that on 31st of December, after having melted 75,000 tons of the sugar during the two months, and marketed it at a very bad time, at a very slack time for refined sugar—it is not the consuming season of the year, and also it is the time when the beet sugar is coming in. We have then on hand 75,000 tons of sugar that we have paid for during the months of November and December piled up, taking all the risk of decline in the market or deterioration, and the risk of the loss in weight.

The CHAIRMAN. You have had, though, at the same time the advantage of any possible advance in the market?

Mr. MOTT. Of course. But there is a rather strange condition which prevails during the last three months of the year. It is the hiatus between crops. The old crops of the West Indies, from which we derive our greatest supply, are over, practically, although there may be some very small amounts left, and the new crops have not begun. They do not begin to come in until after the 1st of January, after the holidays, and at that period of the year there is, so to speak, more or less scarcity of raw sugar. The trade in refined sugar at that period being so slack, there is no incentive to carry any very enormous stock.

The CHAIRMAN. What month of the year is that?

Mr. MOTT. That is during November and December.

The CHAIRMAN. How is it in August and September and July?

Mr. MOTT. Those are the good sugar-consuming months.

The CHAIRMAN. You mean the price goes down to the consumer or goes up to the producer, which?

Mr. MOTT. It depends entirely upon the general condition of the market.

The CHAIRMAN. Raw sugar has advanced very much within the last few days.

Mr. MOTT. Yes. May I just continue?

The CHAIRMAN. Yes.

Mr. MOTT. Since the first of July, about three weeks ago, there has been an advance in Europe of two shillings per hundredweight in the price of beet sugar, which is approximately half a cent a pound, due no doubt to speculation to a great extent, but the basis for it is a long continued drought and very severe, almost unprecedented heat, I believe, on the Continent of Europe, which they believe has injured the beet sugar crop of Continental Europe to such an extent that they are not going to get anything like the usual results.

The CHAIRMAN. Therefore raw sugar has gone up?

Mr. MOTT. Yes.

The CHAIRMAN. And the Cuban crop is supposed to be short this year?

Mr. MOTT. It is short some 300,000 tons, compared with last year.

The CHAIRMAN. And that adds to the advance of raw sugar, does it not?

Mr. MOTT. Very greatly.

The CHAIRMAN. So that very recently, since July 1, there has been quite a marked advance in raw sugar in this country, and all over the world, in fact?

Mr. MOTT. There has been.

The CHAIRMAN. About how much advance, half a cent, you say?

Mr. MOTT. In Europe the advance since the first of July has been two shillings per hundredweight, which is about half a cent a pound.

The CHAIRMAN. Does the American advance correspond with that?

Mr. MOTT. The price of raws or refined?

The CHAIRMAN. The price of raws.

Mr. MOTT. The price of raws has advanced probably about to the same extent.

The CHAIRMAN. What effect has that had on refined sugar, both here and in Europe?

Mr. MOTT. In Europe the price of raw sugar follows almost exactly the raw sugar market.

The CHAIRMAN. How is it here?

Mr. MOTT. Here, the advance has been, I think, not over a quarter of a cent, instead of a half a cent.

The CHAIRMAN. In other words, half of the advance of raw?

Mr. MOTT. I believe I am correct in saying that.

The CHAIRMAN. Of course, I understand it is a mere estimate, but you think it is accurate?

Mr. MOTT. Yes.

The CHAIRMAN. Mr. Mott, in marketing your cane sugar at the period of the year when beet sugar is going on the market, do you have any regard for that in determining the territory in which you market your cane?

Mr. MOTT. I am not conversant with that part of the business.

The CHAIRMAN. Well, who is?

Mr. MOTT. The refined sugar salesmen.

The CHAIRMAN. Who are they? Do you mean the brokers or the wholesale grocers, or do you mean the manager?

Mr. MOTT. I thought you meant what we had to do with it.

The CHAIRMAN. You do not handle the disposition of the refined sugar?

Mr. MOTT. No; I do not.

The CHAIRMAN. That is done by another officer of your company?

Mr. MOTT. Yes.

The CHAIRMAN. My colleague suggests that you give us, if you can, your explanation of why the American market did not follow the European market in this respect, that whereas, since July 1 of this year raw sugar in Europe has advanced half a cent a pound, and refined sugar has followed it, you say, to about the same extent, that in America——

Mr. MOTT (interposing). No; I said refined had not followed it.

The CHAIRMAN. I thought you said it had practically followed it in Europe.

Mr. MOTT. In Europe; yes.

The CHAIRMAN. That is what I said. Now, in America the half a cent advance in raw was followed by an advance of only a quarter of a cent in refined. Now, why that difference?

Mr. MOTT. Well, we have had a pretty fair stock of raw sugar, bought at lower prices.

The CHAIRMAN. In other words, you have been pretty well stocked up here?

Mr. MOTT. I think so; yes.

Mr. SULZER. This investigation has had nothing to do with that?

Mr. MOTT. No, sir; not so far as I am concerned.

The CHAIRMAN. My colleague suggests that in Europe the refined is made out of the stock of local raw, whereas in our country we go all over the earth in getting our raws, and we would like to know whether you think that makes any difference.

Mr. MOTT. In Europe they have got a combination and that is why they keep up their prices.

The CHAIRMAN. And America, having no combination, we have been unable to keep up the refined price; is that the idea?

Mr. MOTT. There is very little of a combination here. There is pretty good competition.

The CHAIRMAN. Well, you have got two-thirds of the interests under your own little wing, have you not? Do you know of any European combination that has got two-thirds of the sugar industry in one organization of Europe?

Mr. MOTT. I think in Germany they probably have them all.

The CHAIRMAN. Suppose they were all together, would that be two-thirds of the European interests?

Mr. MOTT. Well, it is a smaller country.

The CHAIRMAN. Do you know of any European combination, can you name it, that refines as many pounds of sugar, as many barrels of sugar, or that has as potent an effect on trade conditions as the American Sugar Refining Co., of which you are a director?

Mr. MOTT. I think conditions are different in other countries.

The CHAIRMAN. Now, you have just said that this was because they had a combination in Europe, and I want to see what those combinations are and where they are to which you refer.

Mr. MOTT. Well, they have a cartel, I believe, as they call it, in Austria, for instance, which pretty well regulates prices.

The CHAIRMAN. Have you any knowledge about that cartel in Austria?

Mr. MOTT. Personally I have no knowledge of it.

The CHAIRMAN. Well, have you any knowledge of it which comes from reading? Of course, you have not been over there, have you?

Mr. MOTT. I have never been on the Continent of Europe.

The CHAIRMAN. Have you any knowledge as to the refining capacity of all the plants in the Austrian cartel?

Mr. MOTT. No; I have not.

The CHAIRMAN. Have you any knowledge of the refining capacity of all the plants in the German cartel?

Mr. MOTT. No; I have not.

The CHAIRMAN. Do you know to what extent the German and Austrian cartels have been curtailed in their activities by the Brussels convention or by the local laws in those countries since the Brussels convention?

Mr. MOTT. All I know is from my reading that in Europe they maintain a very good market at home for their sugar and find a market for export of their surplus.

The CHAIRMAN. Could you compare the extent of combination in America and in Europe? Can you give us any idea about that?

Mr. MOTT. About the extent of combination?

The CHAIRMAN. Yes; in the sugar business. In other words, give us some one combination, whether it is German or Austrian, that has anything like the control of sugar refining in either Austria or Germany or England which the American Sugar Refining Co. has in the United States of America.

Mr. MOTT. I think in Germany they undoubtedly have, and also in Russia.

The CHAIRMAN. Well, I want to get something definite and specific, if you know.

Mr. MOTT. In Russia, for instance, we know very little of that, because it is very hard to get any facts, but the Government there—

The CHAIRMAN (interposing). The Government fixes the prices by law there, do they not?

Mr. MOTT. Yes; the Government is very paternal with reference to the sugar industry there, and they tie up a large amount of sugar which is not available except under certain conditions; a certain part for the home market and a certain part for export, and a certain part I think they call the inviolable reserve, which they hold onto.

The CHAIRMAN. While that may be true, they regulate the price by statute and say how much and how little the refiner shall charge the people there?

Mr. MOTT. I do not think so.

The CHAIRMAN. You do not think they have any law in Russia fixing the price of sugar?

Mr. MOTT. They fix a price below which it shall not be sold.

The CHAIRMAN. Do they not also fix a price above which it shall not be sold?

Mr. MOTT. That I am not certain of.

The CHAIRMAN. So you can not give us any names on this proposition as to a sugar combination in Europe more potent than in America?

Mr. MOTT. I think the combination, whatever it is, which exists in Germany is more potent.

The CHAIRMAN. Could you give us any figures as to the melting capacity or production?

Mr. MOTT. Their sugar is altogether beet sugar, and it is a continuous process, you know, in those factories, but the German crop is two million and a half tones, a pretty large quantity.

The CHAIRMAN. The American refining output is three and a quarter millions.

Mr. MOTT. No; the total consumption of sugar in this country is approaching three and a half million tons.

The CHAIRMAN. Well, we import none of it, practically, do we?

Mr. MOTT. No; but that includes all of the domestic sugars, both beet and cane.

The CHAIRMAN. I understand that, but when it comes to refined sugar, we refine practically what this country uses, do we not?

Mr. MOTT. Yes.

The CHAIRMAN. Can you give us any more precise and specific information on the subject of combinations in Germany and Austria than you have given already?

Mr. MOTT. No; I can not give you any precise and particular information about them.

The CHAIRMAN. No figures?

Mr. MOTT. No; I think not.

The CHAIRMAN. And no names?

Mr. MOTT. No.

The CHAIRMAN. Where do you buy most of your sugar for the American Sugar Refining Co.?

Mr. MOTT. In New York.

The CHAIRMAN. On board ship New York?

Mr. MOTT. No.

The CHAIRMAN. Delivered at your factory in New York?

Mr. MOTT. No; cost and freight from the country of production, for the most part.

The CHAIRMAN. You do not buy any of the beet sugar for your cane refineries, do you?

Mr. MOTT. You speak of domestic beet sugar?

The CHAIRMAN. Yes.

Mr. MOTT. No.

The CHAIRMAN. You do not do like they do in Europe—one day refine beets and one day cane in the same refinery?

Mr. MOTT. It has been done.

The CHAIRMAN. But that is not the practice?

Mr. MOTT. Beet sugar from Europe, of course, has been in the past imported into this country.

The CHAIRMAN. You do not take American beet sugar and do it that way?

Mr. MOTT. Oh, no.

The CHAIRMAN. You never have done it that way in this country?

Mr. MOTT. No.

The CHAIRMAN. You get your own sugar then from Louisiana—I am speaking of your company—about two-thirds of the crop, something like 200,000 tons? You get it from Cuba largely, do you not, also?

Mr. MOTT. Very largely.

The CHAIRMAN. Some from Porto Rico?

Mr. MOTT. Yes.

The CHAIRMAN. A little from Hawaii?

Mr. MOTT. Yes; a great deal from Hawaii.

The CHAIRMAN. And some from the Philippines?

Mr. MOTT. And from the Philippines.

The CHAIRMAN. And some from Java?

Mr. MOTT. Some from Java.

The CHAIRMAN. And some from Europe?

Mr. MOTT. Yes; and many other places, too.

The CHAIRMAN. What other places except those?

Mr. MOTT. The various West India Islands, British Guiana, Surinam, Brazil; in fact, at some time or another from almost every country in the world that produces sugar.

The CHAIRMAN. I want to know whether in addition to these countries we have just named there are any other countries that produce a considerable amount of sugar that we buy?

Mr. MOTT. There are other countries that produce a great deal of sugar that has come here from time to time and may come here again.

The CHAIRMAN. Is Peru one of them?

Mr. MOTT. Peru is one of them; not very largely. I think their crop is 125,000 tons, perhaps, but most of it goes to England.

The CHAIRMAN. Most of it goes to England?

Mr. MOTT. Yes.

The CHAIRMAN. It is cane sugar, is it?

Mr. MOTT. Yes.

The CHAIRMAN. Do you know the total production of sugar in Peru? The export is 125,000 tons.

Mr. MOTT. Their home consumption is probably very small.

The CHAIRMAN. You could not give us the figures in detail of the production?

Mr. MOTT. I think not over 150,000 tons.

The CHAIRMAN. Probably something like that—150,000 tons?

Mr. MOTT. Yes.

The CHAIRMAN. Are the possibilities for the industry down there great, or do you know?

Mr. MOTT. I really do not know anything about it.

The CHAIRMAN. Let us see how you fix the price. The bulk of this sugar that you import comes from Cuba, does it not?

Mr. MOTT. Yes; we do not fix the price.

The CHAIRMAN. I mean arrive at the price, to use a word that will suit you better. I presume the price is fixed by the number of buyers and things of that sort. What price do you have to pay for raw sugar in New York? How do you arrive at the price you have to pay for raw sugar in New York?

Mr. MOTT. There are some dozen brokers and commission houses who have their offices in New York, and who represent the sellers or planters in these various sugar-producing countries or represent agents of them in London or elsewhere. They come to us—to our office—every day, and many times a day. I see them in their offices and on the street, and they have what are known as firm offers of sugar from all these different places—that is, they offer me and everyone else who is a buyer of raw sugar what they have to put before us day by day. If we want to pay the price at which they offer we simply accept their offer and they send us the product. If we do not want to——

The CHAIRMAN (interposing). Is that price duty paid or not that they offer you?

Mr. MOTT. No; that price is cost and freight.

The CHAIRMAN. In other words they say, "Our price is so much, and you must pay the freight and you must pay the duty."

Mr. MOTT. The freight is deducted, and we pay the freight here.

The CHAIRMAN. In other words, they pay the freight?

Mr. MOTT. We pay the freight; we deduct the freight.

The CHAIRMAN. They give it back to you if you do pay it?

Mr. MOTT. The idea is this: That, for instance, what they asked yesterday—cost and freight for sugar from Cuba—was $3\frac{1}{4}$ cents, basis 96 test. That means the freight is included in their price.

The CHAIRMAN. They pay the freight and charge $3\frac{1}{4}$ cents for it?

Mr. MOTT. Yes.

The CHAIRMAN. They finally pay it?

Mr. MOTT. Yes; we simply adjust it in that way.

The CHAIRMAN. To that $3\frac{1}{4}$ cents, leaving out the freight question, because even if you do pay it you get it back; what do you pay?

Mr. MOTT. We add the Cuban duty on the 96 test, which is 1.348.

The CHAIRMAN. What is that?

Mr. MOTT. That is 4.598, and to that has to be added also the marine insurance, which is somewhere between 0.3 and 0.5 per cent. It would be about $1\frac{1}{2}$ cents. In other words, the $3\frac{1}{4}$ cents would be equal to 4.613 duty paid, laid down here in New York.

The CHAIRMAN. Under what circumstances is the 1.685 added?

Mr. MOTT. Only on such sugar as pays the full duty which nowadays, with the sugar that comes in free from Cuba, is relatively a very small part; so that practically the Cuban rate, which is 1.348, should be reckoned as the duty, and not 1.685.

The CHAIRMAN. Here is what I have in mind on which I want enlightenment, and it seems to me you can do it better than anybody else: Are the Cubans ever able to say to the American producer of raw sugar, "If you get your raw sugar from Java or from Europe or from any other sugar-producing country except your own island possessions," which usually will not take advantage of the duty themselves, I imagine?

Mr. MOTT. No, sir.

The CHAIRMAN. They want to get under it and do add it?

Mr. MOTT. They get it always.

The CHAIRMAN. Cuba says, "You must pay 1.685 to get this outside sugar, and therefore we demand that much more for it." Does that ever happen?

Mr. MOTT. They could always get it if they could handle their crop as Europe does its beet crops, for instance.

The CHAIRMAN. The Cuban reciprocity agreement went into effect January 1, 1904, and they have gotten the benefit of it since that time, or have the American consumers gotten it?

Mr. MOTT. In the main the American consumer has got it. Of course, there have been periods when the Cuban price has had the advantage.

The CHAIRMAN. Sometimes one would get it and sometimes the other?

Mr. MOTT. For instance, when the bulk of the Cuban crop has been marketed—in other words, when they have not a great deal of it left, comparatively—it may be a good deal in tons, like to-day, when they may have 250,000 tons—they may be well able to hold onto that sugar and they can demand the full equivalent price at which other sugars could be bought.

The CHAIRMAN. I want to illustrate that principle. You say that yesterday they asked $3\frac{1}{4}$ cents?

Mr. MOTT. Yes.

The CHAIRMAN. In that 3.25 was any higher price asked for Cuban sugar on account of the fact it paid a smaller duty?

Mr. MOTT. Decidedly.

The CHAIRMAN. Yesterday, if you had been buying sugar from Java, was there any here?

Mr. MOTT. There are sugars on the way from Java that will not arrive here before September or October.

The CHAIRMAN. Are there any sugars from any full duty paying country here now offering for sale?

Mr. MOTT. Yes, sir; there is a little from time to time. I think yesterday there was some Surinam sugar.

The CHAIRMAN. Yesterday, if you had started to buy that sugar, what would have been their price—3.25?

Mr. MOTT. No; their price would be exactly the same as the 3.25 and the Cuban duty figures. Their sugar would be 4.613 less 1.685.

The CHAIRMAN. Yesterday the Cuban planters were getting the full 20 per cent reduction instead of the consumer getting it?

Mr. MOTT. They are getting part of it. They always have that much to give away if they want a difference between the 1.348 and the 1.685.

The CHAIRMAN. They did not give it away yesterday according to what you say, did they?

Mr. MOTT. They have raised their price on the general advance in the markets of the world.

The CHAIRMAN. They have advanced that much more, as they are able to advance on account of their lower duty?

Mr. MOTT. Yes; their price of 3 cents, of course, gives them the benefit—

The CHAIRMAN (interposing). The Surinam price would have been 3.25 less the difference in duty?

Mr. MOTT. Yes; in other words, they would only have to get about 2.93, cost and freight, for their sugar against 3.25 which the Cuban people got.

The CHAIRMAN. So on yesterday the amount of duty on raw sugar that we are buying is 1.685?

Mr. MOTT. Yes, sir, always so; it must be always so.

The CHAIRMAN. In other words, do you always have to add the 1.685 when you buy raw sugars? In determining what the actual price is that you pay for raw sugars, is the real basis of the duty addition 1.685 or 1.348?

Mr. MOTT. The full duty paying countries have got to make their price exactly come to what the Cuban price is.

The CHAIRMAN. Let us take it the other way. In other words, the Cuban people can add the duty to their price, can they not?

Mr. MOTT. Yes.

The CHAIRMAN. That is what they did do yesterday, according to what you say?

Mr. MOTT. Yes.

The CHAIRMAN. In other words, Cuba has got, or was getting yesterday, coming to them 3.25, and these other people 2.93?

Mr. MOTT. Yes, that is it exactly—that is, about the difference between the duties. It should be exactly the difference.

The CHAIRMAN. On what basis is the price of raw sugar determined? Is it the in-bond price plus the duty?

Mr. MOTT. Yes.

The CHAIRMAN. Which duty, the 1.685 or the 1.348? You say the Cuban price is the same as the Surinam price to you.

Mr. MOTT. In result it is, yes. Suppose they sell their sugars duty paid instead of in-bond, they would be absolutely the same price. For instance, if Cuba, at 3.25, cost and freight, figures 4.61, Porto Rico sugars of the same quality would sell for 4.61 and Surinam sugars of the same quality would sell for 4.61 to anyone else. You can not buy one sugar cheaper than you can another.

The CHAIRMAN. What I want to know is whether the Cuban sugar goes up to meet the other, or whether the other sugar comes down to meet the Cuban sugar?

Mr. MOTT. I should say the full duty paying sugar comes down on the other, because the Cuban sugar is the larger part of the supply and more likely to make the price.

The CHAIRMAN. In other words, you think they make the price, the Cuban sugars?

Mr. MOTT. I think so.

The CHAIRMAN. And for that reason you think ordinarily the 1.348 is a proper tariff that we are paying?

Mr. MOTT. Surely. We should not say 1.685, because we pay it on such a very small proportion, and at the tail end of the year.

The CHAIRMAN. While we do not actually pay it, it looks to me like they get it anyhow, from your illustration.

Mr. MOTT. Who gets it?

The CHAIRMAN. Cuba gets it in figuring the price the Cuban planter gets.

Mr. MOTT. Yes, because the price of sugar of the world is made, not by Cuba, even though it ships to this country; it is made by the price of 88 analysis beet sugar from the port of Hamburg as quoted in London by shillings and pounds for 112 pounds.

The CHAIRMAN. That is very interesting. Could you give us about what the world's price was at Hamburg yesterday?

Mr. MOTT. The world's price was a fraction below 13 shillings.

The CHAIRMAN. Reduce it to American equivalent, like you have been figuring there.

Mr. MOTT. It is about 4.57.

The CHAIRMAN. That is refined sugar?

Mr. MOTT. No, that is raw sugar; 88 net analysis beet sugar, first running beet sugar.

The CHAIRMAN. Is that equivalent to 96 degree test here?

Mr. MOTT. No.

Mr. CRAWFORD. You are not counting the duty in, are you?

Mr. MOTT. Oh, of course.

The CHAIRMAN. I mean to leave out the duty. I want the Hamburg price of yesterday.

Mr. MOTT. The Hamburg price was 2.86 f. o. b.

The CHAIRMAN. The Sherman sugar then got the world's price yesterday, did it not? They added 7 points to that 2.86 and got 2.93.

Mr. MOTT. Yes.

The CHAIRMAN. How much difference is there between 88 degree sugar and our 96 degree test?

Mr. MOTT. It is generally figured about $\frac{3}{8}$ of a cent in this country. In London they do not make any such difference. They pay very little more for 96 cane than they do for 88. It is 6 instead of 18.

The CHAIRMAN. It is 18 points here?

Mr. MOTT. That is what it is usually figured.

The CHAIRMAN. So it seems the price of cane yesterday by the Cubans and these Surinam people—the Cuban price was somewhat above the world's price, but the beet price was a little under the world's price, was it not?

Mr. MOTT. Just a little.

The CHAIRMAN. The Dutch price was nearly up to the world's price, even allowing for difference in grade and for cost of transportation—no, I believe they pay that anyhow?

Mr. MOTT. Yes.

The CHAIRMAN. 2.93 is pretty near the world's price?

Mr. MOTT. Yes. You see the beet figures at 2.86.

The CHAIRMAN. And 2.93 they got here for this Dutch sugar yesterday?

Mr. MOTT. Yes.

Mr. CRAWFORD. That is not the insurance?

Mr. MOTT. That is very small.

The CHAIRMAN. They got substantially the world's price?

Mr. MOTT. Yes.

The CHAIRMAN. Then on yesterday the Cubans got the benefit of the full 20 per cent, did they not?

Mr. MOTT. Yes.

The CHAIRMAN. Therefore the two figures to add on yesterday would have been the full duty of 1.682—the cost to the refinery and finally to the American consumer being just the same.

Mr. MOTT. Yes.

The CHAIRMAN. When you pay the duty, you get it back out of the consumer of refined sugar, do you not?

Mr. MOTT. The consumer pays it; certainly.

Mr. HINDS. That is due to a shortage in Cuba, is it?

The CHAIRMAN. What is the cause of that? Why were the Cubans able yesterday to get all the duty, when you say they do not always do it?

Mr. MOTT. They have got a very small quantity, comparatively, left of their crop.

The CHAIRMAN. In other words, the Cuban crop has been pretty well marketed?

Mr. MOTT. It is held in strong hands.

The CHAIRMAN. And they are able to take advantage of the market and to get the deduction that Cuba got in this treaty?

Mr. MOTT. Yes, sir.

The CHAIRMAN. Mr. Mott, is it your judgment that the duty on sugar adds to the cost that the consumer of sugar pays for refined sugar?

Mr. MOTT. Surely.

The CHAIRMAN. To what extent?

Mr. MOTT. The full extent, I should say.

The CHAIRMAN. The full extent of the duty?

Mr. MOTT. Yes.

The CHAIRMAN. Do you believe that if they made free sugar it would be as much cheaper to the consumer as the duty is?

Mr. MOTT. I think it was.

The CHAIRMAN. Which rate would it reduce, the 1.685 or the 1.348? I mean would it be 1.685 cheaper or would it be 1.348 cheaper, or would it be 1.90 cheaper?

Mr. MOTT. It would depend entirely on the market price of the world.

The CHAIRMAN. I understand that, but even if we had free sugar to-morrow, and sugar day after to-morrow went up, it probably would have gone up still more if it had not been for the removal of the duty, would it not?

Mr. MOTT. The duty being a fixed amount, I do not see why that should affect it. Perhaps I do not catch your question.

The CHAIRMAN. Probably you do not. Suppose to-day we have a duty on sugar of 2 cents a pound—taking that for illustration. To-morrow we wipe out the duty entirely, and day after to-morrow, on account of crop shortages or world conditions, the laws of supply and demand, and the great laws of trade, sugar goes up 3 cents a pound. The probabilities are it would have gone up 5 cents if we had not wiped out the duty?

Mr. MOTT. The 2 cents a pound would surely be included.

The CHAIRMAN. In other words, it is a question of reduction, whether we appear to get it or not?

Mr. MOTT. Surely. You can not control the laws of trade.

The CHAIRMAN. And in spite of the tariff, that will operate?

Mr. MOTT. Absolutely.

The CHAIRMAN. Whether your tariff is sky-high or does not exist at all?

Mr. MOTT. Yes, indeed.

The CHAIRMAN. Are you pretty familiar with the world's production of sugar?

Mr. MOTT. Yes.

The CHAIRMAN. What is the present world's production of sugar, about?

Mr. MOTT. Well, to take in everything, it is probably 17,000,000 or 18,000,000 tons. That includes some very large productions in British India which is frequently not taken into the statistics, because it is almost all consumed there.

The CHAIRMAN. What is made over there?

Mr. MOTT. In what respect?

The CHAIRMAN. From what is the sugar made there?

Mr. MOTT. Both from cane and from palm.

The CHAIRMAN. You say the ordinary statistics do not include that sugar, because that enters entirely into local consumption?

Mr. MOTT. No. I have seen different estimates of what is made there, and it is consumed all there, and probably there is no record kept of it.

The CHAIRMAN. Taking the authentic figures or the nearest we can that are authoritative, what are the figures, leaving out for the moment that Indian production?

Mr. MOTT. Some 14,000,000 or 15,000,000 tons.

The CHAIRMAN. How is that divided between cane and beet?

Mr. MOTT. The beet of Europe now is about 8,000,000 and the rest of it is cane.

The CHAIRMAN. We have some beets here in America. You counted that in with the European beets?

Mr. MOTT. No; you will have to add that. There are about 450,000 to 500,000 tons of domestic American beets.

The CHAIRMAN. Are there any other beet sugars except in Europe and America that you know of—any considerable supply?

Mr. MOTT. No. The culture of the beet has been attempted and is being attempted in a great many countries, but I think it has not made any very great headway except on the continent of Europe.

The CHAIRMAN. And in this country?

Mr. MOTT. In this country, of course.

The CHAIRMAN. Where is cane grown? Where is this cane sugar produced which is practically half of it?

Mr. MOTT. In all the countries. It is grown in all the West Indian Islands, more or less—British and French and Dutch and Spanish. It is grown in South America, in a number of countries. It is grown in Mexico, and it is grown in Asia and Java and the Philippines, and so on.

The CHAIRMAN. In other words, in tropical countries?

Mr. MOTT. Formosa—that is an island, a Japanese dependency—has gone into cane and is growing to a very large extent and is going to be a factor.

The CHAIRMAN. It is adapted to a tropical climate and soil?

Mr. MOTT. It is.

The CHAIRMAN. Have you visited Louisiana?

Mr. MOTT. I have never had that pleasure.

The CHAIRMAN. Have you been in Cuba?

Mr. MOTT. I never have.

The CHAIRMAN. You could not give us any information as to whether Louisiana is adapted in climate and soil to the cultivation of cane sugar, in comparison with more tropical lands?

Mr. MOTT. I should say it was not.

The CHAIRMAN. Why?

Mr. MOTT. Because the climatic conditions make it an exotic. It is not a natural crop there, at any rate. It is liable to be destroyed by frost. It has been to a great extent sometimes.

The CHAIRMAN. Is there any refined sugar exported from this country?

Mr. MOTT. Yes.

The CHAIRMAN. Where to?

Mr. MOTT. To South American and Central American and West Indian places, and last year we exported a large amount of American granulated sugar to Great Britain.

The CHAIRMAN. Can you give me substantially the amount you exported last year to Great Britain?

Mr. MOTT. I think somewhere between 50,000 and 75,000 tons—50,000 anyway.

The CHAIRMAN. At least 50,000, and possibly as high as 75,000 tons?

Mr. MOTT. Yes.

The CHAIRMAN. What would your exportations to other countries than Great Britain amount to, in round numbers, last year?

Mr. MOTT. It is not a very large amount.

The CHAIRMAN. Would it be half that?

Mr. MOTT. No.

The CHAIRMAN. Ten thousand tons, do you reckon? Give us an estimate in round numbers.

Mr. MOTT. I think 10,000 tons would very likely cover it.

The CHAIRMAN. Everything except Great Britain last year?

Mr. MOTT. Yes.

The CHAIRMAN. That is just the American Sugar Refining Co. you are giving us, as I understand it?

Mr. MOTT. Yes. When I speak of export to Great Britain, I think I was including what the others have done when I said 75,000.

The CHAIRMAN. Do you think the American would be as high as 50,000?

Mr. MOTT. I think so.

The CHAIRMAN. And probably 75,000, including them all?

Mr. MOTT. I think so.

The CHAIRMAN. You say the conditions were unusual. What were the conditions that led to that?

Mr. MOTT. A short beet crop in Europe.

The CHAIRMAN. If there is another short beet crop in Europe, you may repeat that performance even on a larger scale this next year?

Mr. MOTT. They have already had a crop since then that has been a very large one, a bumper crop. I am speaking of the early part of

this last year. It is more than a year ago now, and after that they marketed a bumper crop, the biggest the people ever made.

The CHAIRMAN. That might hold them up for a year or more?

Mr. MOTT. Except that they look forward to a very short crop again now. It is constantly changing, this sugar situation.

The CHAIRMAN. When you export to England, you sell f. o. b. London about 3.60, do you not?

Mr. MOTT. I think that is something like it.

The CHAIRMAN. And you get how much drawback?

Mr. MOTT. I have forgotten what the drawback is. It differs whether it is based on the Cuban duty or the whole duty.

The CHAIRMAN. It is 99 per cent of what you paid on raw sugar?

Mr. MOTT. Yes. In other words, if this sugar exported was made out of the Cuban sugar, which most likely it was, the Government retained 1 per cent for the cost.

The CHAIRMAN. The Government was returning back to you practically 1.348?

Mr. MOTT. Yes; it is figured out on that basis.

The CHAIRMAN. You were getting 3.60, so that netted you about 5 cents?

Mr. MOTT. That is approximately right.

The CHAIRMAN. Which was approximately near the American price?

Mr. MOTT. Yes.

The CHAIRMAN. My colleague suggests I ask this question: Whether or not the drop in sugar has been facilitated by the Payne tariff bill, either in administrative features or in any other way?

Mr. MOTT. Whether it has been facilitated?

Mr. HINDS. Made easier and less cumbersome and complicated?

Mr. MOTT. I am not aware of it.

The CHAIRMAN. You have not seen any change since the Payne law went into effect?

Mr. MOTT. No; I think not.

The CHAIRMAN. It is the same way now as it has always been?

Mr. MOTT. I think so; yes.

The CHAIRMAN. Is it fairly easy or is it complicated and difficult? What about that?

Mr. MOTT. I think there is considerable difficulty about it.

The CHAIRMAN. In what respect?

Mr. MOTT. Very particularly when it is applied to sirups.

The CHAIRMAN. Is it less difficult when applied to sugar?

Mr. MOTT. I think so.

The CHAIRMAN. When it comes to sugar alone, is it very difficult and cumbersome to get a drawback or not?

Mr. MOTT. You mean in collection from the Government?

The CHAIRMAN. Yes.

Mr. MOTT. There is no difficulty.

The CHAIRMAN. I mean the business operation by which you turn that claim into money.

Mr. MOTT. I think there is no particular difficulty about it. We have to carry the drawback until we collect it from the Government. You have to give them back proof that the exported article has been landed in the country to which it went.

The CHAIRMAN. Let me see if I catch the proposition. You would show where you paid the revenue on the raw sugar?

Mr. MOTT. Yes.

The CHAIRMAN. And prove by some of your employees that that particular sugar was manufactured into this sugar which you finally export?

Mr. MOTT. Yes.

The CHAIRMAN. And show the bills or invoices for it?

Mr. MOTT. Yes.

The CHAIRMAN. And then that would make your case?

Mr. MOTT. No; more than that. You have to return, duly certified before a United States consular officer, a certificate sworn to by the captain and mates of the vessel that landed it, that they landed it there.

The CHAIRMAN. That is one of the details of proof showing you really paid the duty?

Mr. MOTT. And that it really went out of the country and was not brought back again; that it was really landed.

The CHAIRMAN. Some one of this committee suggested that this process was so difficult and expensive that it cost more than you got back out of it when you tried to get a drawback.

Mr. CRAWFORD. Mr. Claus A. Spreckels suggested that.

Mr. MOTT. If that were so, we could not do any export business.

The CHAIRMAN. If it cost any considerable amount you could not afford to do it?

Mr. MOTT. It can not be so. We would not, usually speaking—I do not say there might not be exceptions, but usually speaking we would not sell sugar for export unless we got as good a price there as we get here.

The CHAIRMAN. And at the price you sold in England last year, you would have to get practically the entire drawback to make it up?

Mr. MOTT. Undoubtedly.

Mr. GARRETT. What I understood Mr. Spreckels to say was that where the sugar was carried in the manufacture of other products, to follow it all the way through was difficult and complicated—where it went into a glass of jelly or jam or something of that sort, it would become quite complicated.

Mr. MOTT. That is another matter. It may get so far away from the original source that you could not trace it at all, but I think that does not apply to any very large industry.

The CHAIRMAN. Gentlemen, I believe that concludes the examination of the witness so far as I am concerned.

Mr. MADISON. Suggestion was made to me to ask whether the culture of beets has made any headway in England. I understand it has not done so. Do you know why?

Mr. MOTT. England is a very small country. I really do not know very much about it. What I give you is only my own idea about it. It is a small country and I suppose it is perhaps difficult to get farmers to grow a crop of beets as an experiment. They would probably rather raise hay or corn or oats or something or other of that sort.

Mr. MADISON. It is not a profitable crop for them.

Mr. MOTT. And possibly the great moisture in the English climate generally made against it. I do not know. I am not sufficiently versed in that to state.

Mr. MADISON. Mr. Mott, did the Louisiana planters at any time attempt to contract with you or with the American Sugar Refining Co. for practically their entire product?

Mr. MOTT. No, I think not—up to the present time.

Mr. MADISON. Was there not a time when an association of Louisiana planters attempted to contract with you for practically the entire product of their association?

Mr. MOTT. I do not remember such a thing. There are a good many sellers down there. The details of those contracts are made or handled in New Orleans. We do not have those contracts come up here. I know about the terms and conditions. I know we pay them five days after they deliver the goods, and so on; but I think there are a considerable number of sellers there. I have heard of efforts to bring about a combination of the planters there, but so far I have not seen any results.

Mr. MADISON. Then, do you testify, as a matter of fact, so far as your purchases of raw sugar are concerned, that you purchase from the individual planter and only for his present-day output?

Mr. MOTT. Oh, no—how do you mean—his from-day-to-day output?

Mr. MADISON. What he has to offer for the time being; that is, you do not contract ahead for two or three years.

Mr. MOTT. Oh, no; but we do contract for a season. They want to do it. They insist on our taking it. They will not sell part of it. They want us to contract for the whole crop of one season, but never beyond that.

Mr. MADISON. Then you make a contract with the individual planter to take all of his output for the current year?

Mr. MOTT. The current crop, yes. I do not mean to say all contracts are so, but a very large majority of them, I think, are contracts for the entire crop of the planter.

Mr. MADISON. In other words, assuming I were a large sugar planter in Louisiana, I could go to you and offer to sell to you all of my output for the current year.

Mr. MOTT. Surely.

Mr. MADISON. And you would buy it?

Mr. MOTT. Yes, sir.

Mr. MADISON. Paying me what?

Mr. MOTT. Paying you such price as agreed upon by the buyer and seller. It might be a fixed price, although that is doubtful, because on the delivery of such a contract extending over so long a period of time, nobody could tell what the price was. To begin with, the seller would not be satisfied with a fixed price. He wants to take advantage of the possible advances in the market.

Mr. MADISON. What is the custom then? Do you pay usually a fixed price—that is, you contract in advance that you will pay so much a pound for the sugar when it is delivered, or that you will pay the market price at the time the sugar is delivered? What is your general custom in that respect?

Mr. MOTT. We pay the New York price at the time the goods are delivered to us, less whatever allowance has been agreed upon.

Mr. MADISON. Why is any allowance or deduction made?

Mr. MOTT. I tried to explain that before.

Mr. MADISON. State it briefly again. Possibly I did not catch it.

Mr. MOTT. In the first place, we have to receive the sugar a great deal faster than we can melt and market it, and consequently we have to take upon ourselves all the risks of market declines, to say nothing of the storage and interest and whatever deterioration and shrinkage there may be in the goods. As I say——

Mr. MADISON (interposing). That is sufficient. As I understand you, when the sugar is going on to the market in great quantities, you buy it at the current price and then store the sugar and later melt it and put it on the market?

Mr. MOTT. Yes.

Mr. MADISON. Supposing a large quantity of sugar is coming in during the Cuban sale of sugar, and you buy——

Mr. MOTT (interposing). In Louisiana?

Mr. MADISON. No, I am away from that for the time being. Assuming a large quantity of sugar is coming in, and there are many cargoes being offered, in that event of course the price of raw sugar goes down.

Mr. MOTT. It is entirely a matter of the necessities of both buyer and seller; in other words, supply and demand.

Mr. MADISON. And the price of raw sugar goes down?

Mr. MOTT. If there are——

Mr. MADISON (interposing). You take that sugar and put it in storage, do you not?

Mr. MOTT. Or the owner of the sugar puts it in storage.

Mr. MADISON. Assuming that you buy it because there are large quantities offered, and you buy it at a low price, you take it and put it in storage?

Mr. MOTT. Yes.

Mr. MADISON. The raw sugar?

Mr. MOTT. Yes.

Mr. MADISON. And hold it until you can refine it and put it on the market?

Mr. MOTT. Yes.

Mr. MADISON. Of course, when it comes to putting it on the market as refined sugar, you put it on at the current price?

Mr. MOTT. Yes.

Mr. MADISON. Then very often you buy a large quantity of sugar at a low price and put it on the market at a time when there is a scarcity of raw sugar, and you make a considerable profit in that transaction, do you not?

Mr. MOTT. That might very well be.

Mr. MADISON. That is correct, is it not, as a matter of natural order?

Mr. MOTT. I think it is.

Mr. MADISON. So that it is true that the American Sugar Refining Co. is the one that obtains the benefit largely from the low price of sugar caused by large quantities of sugar coming on to the market during the time when the raw sugar is being marketed?

Mr. MOTT. You have to take the average cost of your purchases. You can not take any particular lots that may be bought at a lower

price and stored. Besides, the mere fact of storing and carrying adds to the cost of that. In other words, you might perhaps buy to much better advantage a month or two later and pay a higher price, because you have eaten up your benefit in the expenses.

Mr. MADISON. Do you undertake to say all the benefit is eaten up?

Mr. MOTT. It is a very expensive process to store and carry raw sugar.

Mr. MADISON. Yes; but do you undertake to say, as a matter of fact, that all the benefit is eaten up?

Mr. MOTT. I think it undoubtedly is in many cases.

Mr. MADISON. Is it not a fact that as a general proposition it is not, and that, as stated by you a moment ago, you make a considerable profit by reason of the fact you are able to buy at a low price, when the sugar is being rushed on to the market by the planter, storing and holding it over until a better price can be obtained.

Mr. MOTT. No; because the price for the refined is based on the market price prevailing at a given date. If the market declined the price of refined sugar would decline with it.

Mr. MADISON. Yes; but at that particular time you sell only the amount of raw sugar that is demanded by the needs of the market at that time, do you not?

Mr. MOTT. That is all that can be sold at any time.

Mr. MADISON. Certainly; that follows as a matter of course. Having purchased a large amount of sugar and stored it, and having purchased at a low price and carried it to the time when you can get a considerable price for it, when the market is at the top price, you make by reason of that transaction, do you not?

Mr. MOTT. You have to take the average cost of your raws during a long period. You can not take any particular cargoes that happen to be bought cheap and say you carried them for three months and melted them when the market was higher, and that you made that much on the proposition. These particular cargoes may show that profit, but you have to take the average cost of your raws from week to week and from month to month.

Mr. MADISON. True; but is it not a fact that during the time refined sugar is high, and at the same time raw sugar is high, there is but very little raw sugar on the market and your purchases are small, and for the purpose of your meltings, you are drawing from the sugar you have stored—that you purchased during the time the market was low?

Mr. MOTT. That is so at times. Of course, it all depends upon the market fluctuations. We may have stored them when the market was low, and it turns out to have been high, and that we could have bought a good deal cheaper afterwards. We have to run those risks.

Mr. MADISON. I was interested in the statement that has been made here that the consumer gets the benefit of the low price that you pay for this sugar when it is being rushed onto the market, by reason of the fact that the planter must, like everybody else who produces agricultural products, sell largely at the time of harvest, if you please; and it struck me that at that time you take the sugar at the low price and store it and afterwards refine it and sell it at the higher price, or a large quantity of it at the higher price, when sugar went up.

Mr. MOTT. We have to carry large supplies of sugar for our stocks, and we have not the capacity at our refineries to carry it. We have to carry sugars in store all the time, you might say——

Mr. MADISON (interposing). In order to meet demands of your trade?

Mr. MOTT. So as to have a sufficient stock not to be forced on the market.

Mr. MADISON. But the situation is simply this, that the man who has the capital and who can buy when the product is low and hold it until it is high is the man who makes the money. There is no criticism involved in that proposition. It is simply a natural and ordinary proposition of the trade.

Mr. MOTT. But that is really speculation. The man has to judge and know when the price is low. He may be wrong about that. In other words, I think the men with the smaller capital and the smaller business, and who have not got to take these chances, are probably a good deal better off.

Mr. MADISON. That is a matter of opinion.

Mr. MOTT. He does not make the big losses that the bigger man has to often take.

Mr. MADISON. That is a matter of opinion, perhaps.

Mr. MOTT. Take this Louisiana situation, for instance. I have known sugar we have bought there to decline in value, or, in other words, we could supply their sugar there. It has been known to decline half a cent a pound between the first of December and the middle of January, say.

Mr. MADISON. Yes; but there ultimately comes the time when the sugar does go up.

Mr. MOTT. Oh, but that does not make the difference. You buy your sugar on the market. If you are carrying sugars for which you paid 4½ cents a pound, and if the market goes down and you could buy them at 4 cents, you have lost half a cent.

Mr. MADISON. But suppose the time of scarcity comes, when it goes up to 5 cents, then you are a winner. If you are the fellow who has the sugar and is holding it in storage, you are the winner.

Mr. MOTT. We aim not to speculate, but to keep a proper supply.

Mr. MADISON. I do not say you speculate. I can see, or I think I can, where in an economic sense there is a benefit to a certain degree—whether counterbalanced by disadvantages is a matter merely to be weighed and determined. But there may be a benefit. I can see where there can be a benefit from there being in the sugar refining business a large institution, with great capital, that can take the raw sugar as it comes onto the market and store it and hold it against the time when there will be no raw sugar coming onto the market, and then letting it out to the trade as the trade needs it. I am not criticizing that.

Mr. MOTT. It is a great benefit to the producer and to the seller, undoubtedly, that there is such.

Mr. MADISON. Take the same old Cuban planter and Hawaiian planter and the Louisiana planter, and it is difficult for him to store his product and hold it.

Mr. MOTT. It is, but——

Mr. MADISON (interposing). It is a benefit to him to have some one who has large capital who can take the sugar at that time and store it and hold it.

Mr. MOTT. Decidedly.

Mr. MADISON. Some one to sell to at that time?

Mr. MOTT. Decidedly.

Mr. MADISON. I can realize that. Of course, it is probable at that time, when they are all offering to sell, when they are competing with each other, that very naturally you would buy that sugar at as low a price as you can. That is natural.

Mr. MOTT. I think so.

Mr. MADISON. Having bought the large quantity, the great bulk of your sugar, at a low price; having the capital to store it and to hold it and refine it as the demands of the trade are made upon it, you are able to make a profit out of the fact that you have the capital to buy when it is low and hold until the time comes when it is higher. It seems to me that a frank answer to that proposition would be yes, that you had.

Mr. MOTT. Yes; always provided you can guess right.

Mr. MADISON. And as a matter of fact, isn't it through a long series of years a fact that it has been a profitable proposition to the American Sugar Refining Co. and that is the reason why they have done that?

Mr. MOTT. I think it is.

Mr. MADISON. They are the people who have won by reason of that sort of transaction?

I wanted to bring out at that point that proposition, because as a fact we have been told here that it was the American consumer who got the benefit, and I think that is true at the time that the sugars are coming onto the market, but later the sugar which you buy and store—I doubt whether the American consumer gets a profit there. It would naturally go to the man who had capital and had invested it and was able to hold it and let it go at a time when the better price became. There are one or two other matters and then I will close.

The American Sugar Refining Co., I see, bought the Union Pacific Tea Co. Do you know anything about that?

Mr. MOTT. I have heard of the Union Pacific Tea Co. I do not know that I know anything of the purchase.

Mr. MADISON. You know as a matter of fact that in addition to going into the coffee business and into the cooperage business and into the lighterage business, in a sense, and being interested in railroads at different places, the American Sugar Refining Co. actually went into the tea business and bought out the Union Pacific Tea Co. Did you not know that?

Mr. MOTT. I do not know that they bought it. I believe they had some interest in some concern, some concern that failed or something. I think that was the reason for their getting into it.

Mr. MADISON. They did get into it?

Mr. MOTT. However, you are right.

Mr. MADISON. And put that business on its feet and actually engaged in the sale of tea through its subsidiary company, the Union Pacific Tea Co., did it not?

Mr. MOTT. I do not know anything about the sale of tea. It was for the selling of refined sugar, I should imagine.

Mr. MADISON. The Union Pacific Tea Co. was in the tea business?

Mr. MOTT. I suppose they sold tea as well as other things.

Mr. MADISON. And had tea houses located all over the country, had they not?

Mr. MOTT. I only have heard of it. I believe they had a number of shops.

Mr. MADISON. I see on page 144 of the minutes of the executive committee an interesting statement—and I will ask this question because I think you are the first person connected with the company that has come on the stand since I have found this—I want you to explain this if you can and tell us about it.

On Tuesday, December 15, 1903, this proceeding seems to have taken place:

On motion, the officers of the company were authorized to execute the agreement with the Sugar Syndicate of Mexico, which was presented by the president and which had been drawn by the counsel of the company.

Do you know anything about that?

Mr. MOTT. I was not a director at that time, but I think I can explain what that was. Some gentlemen came up here from Mexico, where they had accumulated a large surplus of sugar. They had it tied up. I think it was nearly 100,000 tons. They had it tied up in warehouses there. They had borrowed money on it, probably.

Mr. CRAWFORD. Raw or refined?

Mr. MOTT. Both. They came up to New York with a view of seeing if they could not realize on it. They came to us. They had an interview with Mr. Havemeyer, which, I think, I knew of. Nothing came of it, however. Their sugars were disposed of elsewhere; I think largely in Great Britain.

Mr. MADISON. It says here he was authorized to execute the agreement?

Mr. MOTT. So he was, undoubtedly, because these people came and thought they were going to undoubtedly sell us this sugar, and that we were to advance them all or a large part of the money they required, but it fell through.

Mr. MADISON. In any event, it was only one transaction?

Mr. MOTT. Yes; and it fell through.

Mr. MADISON. It was not any general agreement?

Mr. MOTT. No, sir; I remember the man's name—a man by the name of McManus, I think.

Mr. MADISON. Do you know anything about the Hawaiian contract for the purchase of sugar?

Mr. MOTT. Yes.

Mr. MADISON. You had to do with that by reason of the fact you were the purchaser of the raw sugar?

Mr. MOTT. Yes.

Mr. MADISON. You made contracts with the Hawaiians for their output for three years at a time, did you not?

Mr. MOTT. That was the contract.

Mr. MADISON. For three years at a time?

Mr. MOTT. Yes.

Mr. MADISON. What was the substance of that contract? Just give it briefly. On what terms did you take their sugar for three years?

Mr. MOTT. We took their sugar as they shipped it from Hawaii, as rapidly as they shipped it from Hawaii, at a price based on the price ruling at New York the day before the arrival of the sugar.

Mr. MADISON. Less any amount?

Mr. MOTT. Yes.

Mr. MADISON. Less how much?

Mr. MOTT. One-tenth of a cent a pound.

Mr. MADISON. That allowance was made for what purpose?

Mr. MOTT. For the purpose of making the contract. The allowance was made, I suppose, in consideration of making such a large contract and taking all the risks that were involved, and besides that the sugar made in Hawaii is not of as good a quality as other cane sugars—that is, it is not of as good quality for refining purposes however it may be in test.

Mr. MADISON. I notice it is in the minutes of this executive committee as follows:

On motion, the president was authorized to allow a special trade discount of 1 per cent on sales of refined sugar at his discretion and to such parties as he may select.

That was in September, 1900. Do you know anything about that?

Mr. MOTT. I was not a director then. I explained that Mexican matter because I did happen to have some knowledge of what that was.

Mr. MADISON. You do not know anything, then, about him being authorized to allow a special trade discount of 1 per cent to whoever he might select?

Mr. MOTT. I do not.

Mr. MADISON. Is it not a fact that the president did dictate to you as to the price you should pay for raw sugar, and that your company, by reason of being the principal purchaser of this country, did fix the price at which raw sugar should be sold in this country and at which it was sold?

Mr. MOTT. No; neither of those propositions is correct.

Mr. MADISON. There were some very interesting things in these minutes of the executive committee which seem to indicate that at least they thought he could. Here is one with regard to refined sugar:

On motion the president was authorized to revise the selling price of refined sugar, 18 cents per 100 pounds, to commence on August 17, 1899. He is also authorized, in his discretion, to enter into business relations with the trade, and in such manner as shall appear to him best for the interest of the company.

Then there were others in which he was instructed to fix or name a price for raw sugar, and the intimation that is made here or the language that is used indicates the feeling that they were in fact fixing the ruling price. I want to ask you if you understood that by reason of the dominating position which your company held in the sugar business of the country, that price which you would offer would be in fact the ruling price for raw sugar?

Mr. MOTT. It would not be.

Mr. MADISON. How is that?

Mr. MOTT. Undoubtedly, that is not so.

Mr. MADISON. You did not have such a position that you could do anything of that kind?

Mr. MOTT. I should have been invaluable if I could have done it, and would be to-day if I could accomplish such a thing.

Mr. MADISON. I am simply asking the question.

Mr. MOTT. There are many buyers. The brokers and commission houses are certainly very careful to see that they have gone to every possible buyer. In fact, while I do not think any of them do anything that is not honorable, it is only human that they probably try very hard to find out what we will pay, and go to other people to see if they can not better it. It is all trading. A man has something to sell and he asks a little more than he is willing to take. The man that wants to buy generally offers a little less than he is willing to give, and between the two some sort of a compromise is arrived at. I think that is the basis of all buying and selling transactions. I know of no instance where I could take any seller or sellers by the throat and say, "You have to make a contract with us on our terms." On the contrary, in my experience—and I have had quite a large one—the seller usually imposes his terms on the buyer. That is my experience.

Mr. MADISON. Another very interesting thing I have learned on reading the minutes of the executive committee and also of the directors has been the practice of shutting down refineries, closing that refinery here, and shutting down another there for a time, or limiting the output. Briefly, and to sum the matter up, in order not to encroach too much on the others' time, I gained the impression from reading this that you were very careful to gauge the amount of sugar that was passing on to the market, apparently for the purposes of maintaining your prices. As a purchaser of raw sugar, the man who purchased the raw sugar and distributed it among the different refineries, you certainly had knowledge on that subject. Tell us what about the limitation of output for the maintenance of the price.

Mr. MOTT. I never knew of any such thing. I never knew of the shutting down of refineries or the limit of production in any particular refinery, save for one reason, and that was that there was not demand enough to take their full output. The capacity of the sugar refineries is very largely beyond the requirements and always has been, I think.

Mr. MADISON. Another matter of some interest to me has been the character of voluntary contributions that were made by the company. They impartially contribute to labor unions and military organizations alike, as, for instance, I read from the minutes of September, 1900:

On motion, a payment of \$500 to the Forty-seventh Regiment, National Guard, New York, for the improvement of their armory, as stated in Col. Eddy's letter to Mr. H. O. Havemeyer, of September 21, 1900, was authorized.

Do you know about contributions of that kind?

Mr. MOTT. I know nothing of that one. I do not see any harm in it, though.

Mr. MADISON. I am not criticizing it.

Mr. MOTT. You will find also contributions have been made to hospitals, and are to-day, probably.

Mr. MADISON. And contributions were made to labor unions, I find, and here is an instance of such a donation where \$50 was donated to the Central Federation of Labor, I think, of New Jersey, and different labor unions at different places round about New York City.

Mr. MOTT. I know nothing of this particular instance that you cite, sir, but if you knew the number of people that go to such a concern as we are, and doubtless to thousands and thousands of other concerns in the country, and beg for a subscription or contribution to this, that, and the other, you would not be surprised at such trifling things as a \$50 contribution to a labor organization or \$500 to the armory fund of a regiment over there. They will probably be called upon some day to protect the property.

Mr. MADISON. That is one of the reasons why they contributed?

Mr. MOTT. I do not know that. I just guessed it.

Mr. MADISON. Another thing. I notice that you had a beer contract each year; that each year you made a contract for beer for the different refineries? What was that and the purpose of that? Each year you made a contract with a certain brewery to furnish beer to the Havemeyer & Elder refinery and different refineries?

Mr. MOTT. I believe it was the custom to furnish beer for the workmen over there. I think the custom has been abolished. I do not believe it is in effect now anywhere in our refineries.

Mr. MADISON. For the purpose of learning how desirable it may have been to work there, I would like to know if it was free beer? [Laughter.]

Mr. MOTT. I think not.

Mr. MADISON. It was not free beer?

Mr. MOTT. I think not. I have no knowledge about it, really. That would be something that would go under the control of the superintendent of refineries. There are a great many Germans employed in those sugar refineries, and they are fond of beer and have been used to having it.

Mr. MADISON (reading):

The president reported a contract made with the Paul Weedman for beer required by the Brooklyn and Jersey City refineries for year ending October 5, 1904, at \$4.25 per barrel of 31½ gallons. Details per contract.

That was made in 1903. Did you make a contract by the year for that beer?

Mr. MOTT. I do not know anything about it.

Mr. MADISON. Was it following a custom said to exist in Germany of furnishing beer to the workmen as they were engaged there? Were your men largely Germans?

Mr. MOTT. I think a good percentage of them were. They certainly were in the past, but not to such an extent to-day, perhaps.

Mr. MADISON. There are no beer contracts made now?

Mr. MOTT. I believe not.

Mr. MADISON. What are your workmen to-day, so far as nationality is concerned?

Mr. MOTT. They are largely Polacks and Bohemians, and so on.

Mr. MADISON. Do you furnish them with their peculiar national drink?

Mr. MOTT. I do not know.

Mr. MADISON. You don't know anything about that?

Mr. MOTT. I do not know anything about it. They are probably better off without it.

Mr. MADISON. I want to ask this question, if you have information upon it, Is the production of sugar increasing in Cuba generally?

Mr. MOTT. Largely.

Mr. MADISON. I mean generally?

Mr. MOTT. Yes, largely.

Mr. MADISON. Is the method of treating the cane improved? Are improvements being made in that direction?

Mr. MOTT. Constantly, I believe.

Mr. MADISON. And in the agricultural methods pursued also?

Mr. MOTT. Undoubtedly.

Mr. MADISON. There is then a prospect of a very largely increasing supply of raw sugar from Cuba?

Mr. MOTT. A 2,000,000-ton crop is talked of for next season. It is a little early to tell about it yet, though.

Mr. MADISON. At the time that Cuban independence was secured, what was the total output of raw sugar from Cuba?

Mr. MOTT. I do not know exactly what year that was, but the production had got down very low on account of their fighting, and so on. It got down very low, I think, to 300,000 or 400,000 tons for one year, about 1898 or 1899.

Mr. MADISON. Immediately previous to the war, when normal conditions prevailed, what was the total output in Cuba?

Mr. MOTT. I think about 1,200,000 tons was the largest they had made prior to that.

Mr. MADISON. What was their average?

Mr. MOTT. Say around 800,000 to 1,000,000 tons.

Mr. MADISON. Not over a million?

Mr. MOTT. No; I think not.

Mr. MADISON. Then it is true that if your figures are correct for this year they will have doubled their output?

Mr. MOTT. The coming year I spoke of.

Mr. MADISON. Under the impetus of reciprocal trade with this country?

Mr. MOTT. Yes, sir; that is the result, I think. Increased capital has gone in there, you know.

Mr. MADISON. Is there any probability that they will, in future, be able by reason of the great amount of their output, furnishing a large percentage of the sugar that we use to exact an unreasonable price from America or American refineries?

Mr. MOTT. I think not, because the production of sugar is going on increasing in other countries, all over the world.

Mr. MADISON. There is one question I want to ask you, if you have any information on it. Is the general stock of sugar in the world increasing? In other words, is the consumption of sugar greater than the supply, or otherwise? Does the world carry over a stock of sugar from one year to the other, or does it consume annually the amount of sugar produced in that year?

Mr. MOTT. There always is, as a whole, a considerable stock carried over; but consumption is growing very rapidly all over the world. As civilization goes into countries that have been wild and

unreachable, sugar goes with it, and the supply has to be increased probably to keep up with the increased consumption.

Mr. MADISON. At the present time you would say the production is greater than the consumption?

Mr. MOTT. Yes.

Mr. MADISON. But that consumption is fast catching up with the production?

Mr. MOTT. That is about the condition.

Mr. MADISON. That is the situation?

Mr. MOTT. That is the situation.

Mr. MADISON. Is Formosa increasing its output of sugar?

Mr. MOTT. At a very rapid rate.

Mr. MADISON. What about other countries? Are they increasing also?

Mr. MOTT. Java, for instance, is going on increasing.

Mr. MADISON. Will Formosa have an added advantage because of the completion of the Panama Canal to lay down sugar in this country very cheaply?

Mr. MOTT. So far, I believe, Japan is exercising some paternal arrangement with Formosa and taking care of their sugar; but if they go on increasing they will have to find other markets, no doubt. Japan has taken the sugar from Formosa, instead of sugar from Java, as I understand it, of which they had hitherto been taking large quantities.

Mr. MADISON. Where is the Formosa sugar refined?

Mr. MOTT. In Japan.

Mr. MADISON. In Japan or on the island of Formosa?

Mr. MOTT. I do not think it is done on the island of Formosa?

Mr. MADISON. You think it is refined in Japan?

Mr. MOTT. I think so.

Mr. MADISON. They are as a matter of fact causing some trouble with the Hongkong refineries as the result of their increased output, are they not?

Mr. MOTT. I do not know of it, but I should not be surprised.

Mr. MADISON. Our consul so reports, my colleague (Mr. Hinds) advises me.

That is all, Mr. Chairman.

The CHAIRMAN. I have just another question or two.

Do you buy raw sugar for the Western Sugar Refining Co.?

Mr. MOTT. No, sir.

The CHAIRMAN. Have you ever done it?

Mr. MOTT. I have.

The CHAIRMAN. When did you do that, and for how long?

Mr. MOTT. Several years ago—I can not state the exact date. At their request to me by telegraph, I think I bought them some Java sugar.

The CHAIRMAN. Did you keep that up for any length of time?

Mr. MOTT. No.

The CHAIRMAN. Did not you for a number of years regularly buy for the Western Sugar Refining Co. the raw sugar that they used?

Mr. MOTT. No, sir.

The CHAIRMAN. Did not you regularly buy all the Java sugars they used and all except the Hawaiian sugars they used?

Mr. MOTT. No, sir.

The CHAIRMAN. Do you know a man named Horace Howard?

Mr. MOTT. I do not.

The CHAIRMAN. No. 90 Clay Street, San Francisco?

Mr. MOTT. I do not know him.

The CHAIRMAN. He is the head office man of the Western Sugar Refining Co., is he not, or do you know?

Mr. MOTT. I do not know him. I think I have heard the name. I do not recognize the "Horace," however.

The CHAIRMAN. Don't you happen to know that for quite a period of years he declined to trade with anybody in New York when it came to the purchase of raw sugars for the Western, stating that Mr. Mott, of the American, bought his sugars in New York?

Mr. MOTT. I do not know it; no. I never heard it before.

The CHAIRMAN. You did not do that except now and then?

Mr. MOTT. I only recall one instance when they asked me to buy a cargo or two cargoes of Java sugar for them, or to tell them what price I could buy it for.

The CHAIRMAN. Can you tell the date of that transaction?

Mr. MOTT. I do not have it in my mind at the moment.

The CHAIRMAN. Suppose you supply that later? Did you ever buy any raw sugar for the California-Hawaiian?

Mr. MOTT. No, sir.

The CHAIRMAN. Never?

Mr. MOTT. No, sir.

The CHAIRMAN. At no period?

Mr. MOTT. No, sir.

The CHAIRMAN. Or for Warner?

Mr. MOTT. No, sir.

The CHAIRMAN. Or Arbuckle?

Mr. MOTT. No, sir.

The CHAIRMAN. Or the Federal?

Mr. MOTT. No, sir. They have their own buyers.

Mr. SULZER. Mr. Mott, you are a director of the American Sugar Refining Co., are you not?

Mr. MOTT. Yes, sir.

Mr. SULZER. How long have you been a director?

Mr. MOTT. Since the latter part of February, 1908.

Mr. SULZER. What is your official position with the American Sugar Refining Co. at the present time?

Mr. MOTT. Buyer of raw sugar.

Mr. SULZER. How long have you been occupying that position?

Mr. MOTT. Since 1897.

Mr. SULZER. What were you before that?

Mr. MOTT. I was employed in various clerical positions there.

Mr. SULZER. Were you one of the auditors?

Mr. MOTT. No, sir.

Mr. SULZER. Bookkeeper?

Mr. MOTT. Not head bookkeeper. I have worked on the books.

Mr. SULZER. Who was the head bookkeeper during the time you were employed on the books?

Mr. MOTT. A man by the name of Anderson.

Mr. SULZER. Is he in the employ of the company now?

Mr. MOTT. He is not.

Mr. SULZER. When did he leave the company?

Mr. MOTT. A number of years ago—a good many years ago.

Mr. SULZER. Are all the books and papers of the company at the office of the company in Wall Street?

Mr. MOTT. I have not charge of them.

Mr. SULZER. I did not ask whether you had charge of them. I asked whether you knew as a director of the company that all the books and papers of the company are at the company's office in Wall Street?

Mr. MOTT. I do not know.

Mr. SULZER. If they were not there, where in your opinion would they be?

Mr. MOTT. A good many of the books have been taken away. There are some of them here. Here [indicating] is one of the minute books.

Mr. SULZER. Those are in the custody of the committee temporarily. They belong to the company and came here from the company's office in Wall Street. If all the books and papers of the American Sugar Refining Co. are not at the company's office, where would they be?

Mr. MOTT. I do not know.

Mr. SULZER. You do not know?

Mr. CRAWFORD. Mr. Wise has a good many of them, which he has had for several years, and will not return.

Mr. SULZER. I suppose we could see them?

Mr. CRAWFORD. I have no doubt he will allow you to. We would be very glad to get them back, but he will not return them.

Mr. SULZER. The purpose of the question is to find out, so we can look over these books and papers if we desire to do so. If they were not in the possession of the company or in the possession of the Government, do you know of any other office of the company that it has where these papers and books might be kept?

Mr. MOTT. Some naturally at the refineries, I suppose, that pertain to that part of the business, and at the offices of the refineries.

Mr. SULZER. You keep books at the refineries, do you?

Mr. MOTT. Undoubtedly; I should think we do.

Mr. SULZER. The records you have at the refineries regarding the production, and so forth, and pay rolls and labor accounts, and those things, are all checked up by the superintendent there, and then sent over to the main office to be tabulated and checked up and entered in the books at the main office, are they not?

Mr. MOTT. I think that is the procedure; yes, sir.

Mr. SULZER. During Mr. Havemeyer's life you were very closely associated with him, were you not?

Mr. MOTT. In a business way.

Mr. SULZER. And you wrote letters at his suggestion and signed H. O. Havemeyer's name "per H. C. Mott, secretary."

Mr. MOTT. Never "secretary."

Mr. SULZER. "Per H. C. Mott."

Mr. MOTT. Yes, sir.

Mr. SULZER. You kept copies of those letters?

Mr. MOTT. I should say, always.

Mr. SULZER. Did you keep copies? If so, how? By entering them in a letter book?

Mr. MOTT. By copying them in a letterpress book.

Mr. SULZER. You have those letterpress books?

Mr. MOTT. If they were books that pertained to Mr. Havemeyer's business they were kept in his book. Perhaps some of them may have been copied in a book of my own.

Mr. SULZER. They were letters in regard to matters in connection with the company's affairs?

Mr. MOTT. No, very rarely. They were usually letters of the most formal kind; simply, "I am directed by Mr. H. O. Havemeyer to acknowledge receipt of yours and say he is not interested in the subject," or whatever it might be. That is about the extent of the letter writing I did for him.

Mr. SULZER. Those letters were copied in the letterpress book?

Mr. MOTT. They were copied in the letterpress book, yes.

Mr. SULZER. And they were in Mr. Havemeyer's possession?

Mr. MOTT. They were in his possession.

Mr. SULZER. After Mr. Havemeyer died do you know what became of them?

Mr. MOTT. I do not.

Mr. SULZER. Do you know whether those books were taken by his executors or whether they were left with the company?

Mr. MOTT. I do not know; I have no knowledge.

Mr. SULZER. Are you quite sure, Mr. Mott, that you did not sign letters for Mr. Havemeyer, "per H. C. Mott, secretary"?

Mr. MOTT. I am quite sure I never did.

Mr. SULZER. You just signed them, to the best of your recollection, "Per H. C. Mott"?

Mr. MOTT. That is all.

Mr. SULZER. You testified, Mr. Mott, that you are the buyer for the American Sugar Refining Co. of raw sugar?

Mr. MOTT. Yes, sir.

Mr. SULZER. And as such buyer you distribute that raw sugar to the various plants owned and controlled by the American Sugar Refining Co.?

Mr. MOTT. Yes, sir.

Mr. SULZER. And that you do that under the direction of the board of directors?

Mr. MOTT. Practically.

Mr. SULZER. Of whom you are one?

Mr. MOTT. Yes.

Mr. SULZER. So that as a matter of fact you can regulate and control the output of any sugar factory controlled by the American Sugar Refining Co.?

Mr. MOTT. I can not control the output.

Mr. SULZER. You can control the output by limiting the product you send to that mill, can you not?

Mr. MOTT. That would do it. If I stopped sending, I suppose they would stop working.

Mr. SULZER. So you can absolutely control the product of any plant owned by the American Sugar Refining Co.?

Mr. MOTT. I do not admit that at all. I only said that, of course, if I refused to send sugar there and they had no sugar, they could

not melt. That would be a stoppage, but what would become of me if I did that?

Mr. SULZER. Suppose the board of directors of the American Sugar Refining Co. should instruct you not to send any raw sugar to one of its mills, you would not send any sugar under those circumstances to that mill?

Mr. MOTT. I should obey my instructions.

Mr. SULZER. And as a matter of fact the board of directors can regulate absolutely the product of any one of its mills? That is so, is it not?

Mr. MOTT. Yes, sir; the curtailment of melt or increase of melt, of course, is controlled by the board of directors, naturally.

Mr. SULZER. So if the American Sugar Refining Co. wanted to do it, it could close every one of its mills with the exception of the Havemeyer & Elder plant, could it not?

Mr. MOTT. It could do so.

Mr. SULZER. What salary do you receive?

Mr. MOTT. \$20,000 a year.

Mr. SULZER. How much salary does the seller of refined product receive?

Mr. MOTT. I do not know.

Mr. SULZER. What is his name?

Mr. MOTT. Judson Lownsbury.

Mr. SULZER. Does he live in New York?

Mr. MOTT. In Brooklyn, I think.

Mr. SULZER. How long has he been the seller?

Mr. MOTT. Less than a year.

Mr. SULZER. Do you buy any beet sugar?

Mr. MOTT. At times.

Mr. SULZER. From whom do you buy the beet sugar?

Mr. MOTT. Either in London, from sellers there, or in New York, through the representative of the sellers.

Mr. SULZER. Have you bought any beet sugar during the past year?

Mr. MOTT. No, I have not.

Mr. SULZER. As a matter of fact, you do not buy very much beet sugar for the American Sugar Refining Co.?

Mr. MOTT. I have done it in the past, but there has been no requirements for it for a considerable time.

Mr. SULZER. When did you last buy beet sugar?

Mr. MOTT. Oh, probably three or four years ago, I think.

Mr. SULZER. Do you consider the cane sugar better than the beet sugar?

Mr. MOTT. It is better.

Mr. SULZER. As a matter of fact, cane sugar is more wholesome and better than beet sugar, in your opinion?

Mr. MOTT. I do not say it is more wholesome.

Mr. SULZER. What do you mean when you say cane sugar is better than beet sugar?

Mr. MOTT. The cane sugar is usually a higher product than the beet sugar, I think—the raw-beet sugar.

Mr. SULZER. You think it has more ingredients of saccharine matter?

Mr. MOTT. The cane sugar?

Mr. SULZER. Yes.

Mr. MOTT. It all depends upon the polarization of it.

Mr. SULZER. Is the American Sugar Refining Co. engaged in the tea business at the present time?

Mr. MOTT. Not that I know of.

Mr. SULZER. And has no interest in any tea company?

Mr. MOTT. I am not aware of any.

Mr. SULZER. You would know, would you not, as a director?

Mr. MOTT. I think I should.

Mr. SULZER. Has the American Sugar Refining Co. any interests at the present time in the coffee business?

Mr. MOTT. None that I know of.

Mr. SULZER. As a director you would know it if it was so, would you not?

Mr. MOTT. I think so.

Mr. SULZER. Has the American Sugar Refining Co. at the present time any interest in the spice business?

Mr. MOTT. I think not.

Mr. SULZER. Has the American Sugar Refining Co. any interest in any sugar plantation?

Mr. MOTT. Not that I know of.

Mr. SULZER. Has the American Sugar Refining Co. any interest in the lighterage business at the present time?

Mr. MOTT. I think not.

Mr. SULZER. And, as a matter of fact, at the present time the American Sugar Refining Co. is not engaged directly or indirectly in any other business except the buying of raw sugar, the refining of the same, and the selling of the product?

Mr. MOTT. I think that is correct.

Mr. CRAWFORD. I do not wish to misunderstand you, because they have a very extensive cooperage business, you understand.

Mr. SULZER. I did not ask about that.

Mr. CRAWFORD. You asked if they had any other business.

Mr. MOTT. They own a very large cooperage business.

Mr. SULZER. I will ask the question, to put that upon the record: Is the American Sugar Refining Co. at the present interested in the cooperage business?

Mr. MOTT. Yes; it is.

Mr. SULZER. They own the cooperage business, do they not?

Mr. MOTT. The Brooklyn Cooperage Co.; yes, sir.

Mr. SULZER. What is the capitalization of their cooperage company?

Mr. MOTT. I really do not recollect.

Mr. SULZER. But all the stock is owned by the American Sugar Refining Co.?

Mr. MOTT. I think that is the fact.

Mr. SULZER. You told us a little while ago that Mr. Burguières, of Louisiana, called to see you. When did he call?

Mr. MOTT. Yesterday.

Mr. SULZER. Have you any objection to telling us the subject of the call and the conversation?

Mr. MOTT. It was entirely a friendly visit, just to become acquainted with us, and I do not think I had ever had the pleasure of meeting him before. We spoke in a general way over the situation

of sugar in the world. There was nothing particularly specific about it.

Mr. SULZER. Did he make any complaint to you or to any other officer of the company regarding the ability of the Louisiana planters to market their crop?

Mr. MOTT. None to me or in my hearing.

Mr. SULZER. You buy most of the product, as I understand it, of the Louisiana cane planters?

Mr. MOTT. Some sixty-odd per cent of it.

Mr. SULZER. And Mr. Burguières had no fault to find in his conversation with you during this recent fall regarding the American Sugar Refining Co.?

Mr. MOTT. At all events, he expressed none.

Mr. SULZER. When did you first enter the employment of the American Sugar Refining Co.?

Mr. MOTT. When they commenced operating as that company.

Mr. SULZER. What year was that?

Mr. MOTT. 1891, I believe.

Mr. SULZER. Have you been in the employ of the company, in one capacity and another, ever since that?

Mr. MOTT. I have.

Mr. SULZER. During the time Mr. H. O. Havemeyer was the president of the company he practically controlled its policy, did he not?

Mr. MOTT. He did.

Mr. SULZER. Do you think that his policy was always correct and in the interest of the stockholders?

Mr. MOTT. I think that the result of his policy showed that it was usually a very successful one.

Mr. SULZER. You have changed that policy, however, very materially since you became a director, have you not?

Mr. MOTT. I think that is probably true.

Mr. SULZER. Why did you make a change if Mr. Havemeyer's policy was correct?

Mr. MOTT. Do you speak of me personally?

Mr. SULZER. As a director of the company.

Mr. MOTT. Times have changed and we have changed with them, I suppose.

Mr. SULZER. In other words, Mr. Havemeyer conducted the affairs of the American Sugar Refining Co. as if there were no laws in the country, and you are conducting the affairs of the American Sugar Refining Co. according to the laws of the State and Federal Government. Is not that about the distinction?

Mr. MOTT. I would not say yes as to the first part of your proposition. As to the second part, you are quite correct, I think.

Mr. SULZER. Mr. Havemeyer was a very dominant factor; a very forceful man?

Mr. MOTT. Very commanding.

Mr. SULZER. And he always went on the hypothesis that the end justified the means?

Mr. MOTT. I do not know that at all.

Mr. SULZER. He could not brook any opposition, would he?

Mr. MOTT. No; he was a very masterful man, and a man of very great ability and foresight.

Mr. SULZER. If he told you to do anything while you were in his employ, you would not protest or object or oppose him?

Mr. MOTT. I certainly should in any case——

Mr. SULZER. Did you ever do so?

Mr. MOTT. I do not think I ever had occasion to.

Mr. SULZER. Do you think if you ever did you would have held your job 24 hours?

Mr. MOTT. I do not.

Mr. SULZER. Indeed you would not.

Mr. MOTT. But I should have opposed if he had ever asked me to do anything dishonorable or that I thought was wrong.

Mr. SULZER. I have no doubt of that.

Now, as a matter of fact, a number of reforms have been inaugurated by the new management of the American Sugar Refining Co. since the death of H. O. Havemeyer, have they not?

Mr. MOTT. Yes, sir.

Mr. SULZER. Many of these things to which Judge Madison has referred in the minutes have been eliminated entirely?

Mr. MOTT. Yes.

Mr. SULZER. And the company is now being run strictly on a business basis?

Mr. MOTT. Yes.

Mr. SULZER. And in so far as you can and know, you are doing everything strictly in accordance with the law?

Mr. MOTT. Yes, sir.

Mr. SULZER. There is no disposition on the part of yourself or any of your colleagues on the board of directors to curtail the sugar products?

Mr. MOTT. No, sir; none whatever.

Mr. SULZER. In other words, you are in business now to make money, all the money you can?

Mr. MOTT. Undoubtedly.

Mr. SULZER. For the stockholders of the company?

Mr. MOTT. They naturally would be the beneficiaries.

Mr. SULZER. You buy as much sugar as you think your plants can manufacture? You buy all the raw sugar you think you can manufacture?

Mr. MOTT. The capacity of our plants is greater than what we manufacture.

Mr. SULZER. In other words, you manufacture and produce as much sugar, refined sugar, as you think you can sell?

Mr. MOTT. As we think we can market; yes, sir.

Mr. SULZER. And you have to buy your raw sugars in the markets of the world?

Mr. MOTT. Yes, sir.

Mr. SULZER. In competition with all the other manufacturers of sugar throughout the world?

Mr. MOTT. Yes, sir.

Mr. SULZER. And you have to sell it in the markets of the world?

Mr. MOTT. Yes.

Mr. SULZER. In competition with all the other manufacturers of sugar?

Mr. MOTT. Yes.

Mr. SULZER. My colleague, Judge Raker, of California, suggests right along this line an inquiry which I think is very pertinent, and

that is why do you not—if you are in business to make all you can—manufacture as much sugar as the capacity of your various mills will warrant?

Mr. MOTT. Because there are other people in the business, and they try to manufacture all they can.

Mr. SULZER. And you only manufacture what you think you can sell?

Mr. MOTT. We can not all be turning out all the sugar we can make, or it would lead to a plethora.

Mr. SULZER. Or a monopoly?

Mr. MOTT. No; an overproduction would lead to a great glutting of the market, would it not?

Mr. SULZER. You only manufacture, in other words, as much sugar as you think you can market?

Mr. MOTT. I think that is about right.

Mr. SULZER. Is the product from your mills increasing or diminishing?

Mr. MOTT. I think it is increasing slightly.

Mr. SULZER. In other words, you are manufacturing and marketing more refined sugar now than you did under the administration of Mr. H. O. Havemeyer?

Mr. MOTT. I do not know that it is just that at this very day, but I think the tendency is to increase. Consumption is increasing.

Mr. SULZER. What is about the percentage of the output of the American Sugar Refining Co. in comparison with all the other sugar refining companies in the United States?

Mr. MOTT. Some 41 or 42 per cent, I think.

Mr. SULZER. Which is your largest competitor?

Mr. MOTT. The National.

Mr. SULZER. How much do they produce? What percentage of the whole do they produce?

Mr. MOTT. I have not those figures.

Mr. CRAWFORD. Ten per cent is what has been testified to.

Mr. MOTT. I think that is about right.

Mr. SULZER. Which is your next largest competitor?

Mr. MOTT. I do not know—possibly Arbuckles.

Mr. SULZER. And the next?

Mr. MOTT. The Federal, I think.

Mr. SULZER. And the next?

Mr. MOTT. There is McCahan and Warner, and the refineries down in New Orleans—they are all competitors.

Mr. SULZER. That is near enough. You have, of course, considerable competition?

Mr. MOTT. We have.

Mr. SULZER. There is no possible way for you to fix the price of sugar, is there?

Mr. MOTT. None that I know of.

Mr. SULZER. And there is no possible way for you to control the market?

Mr. MOTT. No, sir.

Mr. SULZER. And there is no reason of which you are aware that prevents anybody from going into the sugar industry, is there?

Mr. MOTT. There certainly is not.

Mr. SULZER. All the American Sugar Refining Co. wants to-day, as I understand it, is fair field and no favors?

Mr. MOTT. That is it exactly.

Mr. SULZER. Now, Mr. Mott, you have had a long experience in this business, and perhaps are as well posted and qualified to testify concerning it as any man in the business.

Mr. MOTT. I do not know about that.

Mr. SULZER. Tell us briefly, for the sake of the record, what legislation, if any, you would propose in connection with the sugar business in the United States?

Mr. MOTT. I should like to see a freedom from all perplexing and hampering laws that hinder us in doing business.

Mr. SULZER. Tell us what law you consider to-day hampering you and hindering you from doing business.

Mr. MOTT. The Sherman antitrust law. [Laughter.]

Mr. SULZER. You are not a trust, are you?

Mr. MOTT. Mr. Parsons is the man to tell you about that.

Mr. SULZER. He testified that the American Sugar Refining Co. was not a trust, and you as a director certainly believe that you are not a trust.

Mr. MOTT. I do not know what a trust means, really, but we are not a monopoly, anyway, if that is probably what is meant by a trust.

Mr. SULZER. Tell us how the antitrust law of 1890 hampers and interferes with your business.

Mr. MOTT. Because we are up here, for instance, or I am, instead of tending to my business, for one thing. I will not say that it is a most unpleasant experience, though. But you know very well the litigation we have got into and all that kind of thing. It takes our minds off the proper conduct of our business.

Mr. SULZER. Is that the only complaint you have?

Mr. MOTT. I think if we were let alone we could get along very comfortably in our business.

Mr. SULZER. Let alone by whom?

Mr. MOTT. Let alone by the Government.

Mr. SULZER. And if the Government lets you alone, would you just continue to pursue the policy inaugurated by Mr. H. O. Havemeyer, and put all your competitors out of business?

Mr. MOTT. We would continue as we are doing to-day, to try to obey the law. We can not put our competitors out of business. I do not think anybody has tried to do that. If they ever have, they certainly have not succeeded.

Mr. SULZER. Mr. Havemeyer did certainly try to put some of his competitors out of business, did he not?

Mr. MOTT. I do not know.

Mr. SULZER. And he swallowed up some others and finally organized the American Sugar Refining Co., and the American Sugar Refining Co. practically did everything that he said; so he was the whole thing, and, so far as the record shows, the American Sugar Refining Co. is holding on to everything absorbed during the régime of Mr. Havemeyer.

To pursue the line of inquiry a little further, you say you think you can get along better if there is no antitrust law. Why could you get along better if there were no antitrust law?

Mr. MOTT. But I do not say that. My thought is this: I mean we would be more comfortable if we knew exactly what we were allowed to do and what not.

Mr. SULZER. Your counsel has instructed you, has he not, regarding the decisions of the court as to what you can do and what you can not do under the laws of the country?

Mr. MOTT. I do not understand that everything is very clear about that.

Mr. SULZER. Leaving the antitrust act of 1890 out of consideration for the moment, what other law, if any, do you complain about?

Mr. MOTT. I do not complain of any law.

Mr. SULZER. No other law?

Mr. MOTT. I think not.

Mr. SULZER. Have you given the question of enactment of new legislation any attention as a director of the American Sugar Refining Co.?

Mr. MOTT. I can not say that I have, especially.

Mr. SULZER. If the tariff were reduced or removed, would that benefit the American Sugar Refining Co.?

Mr. MOTT. That is a question that is pretty hard to determine. In some ways it probably would.

Mr. SULZER. Would it benefit the consumers of the country?

Mr. MOTT. A reduction of the tariff?

Mr. SULZER. Yes.

Mr. MOTT. I think it would.

Mr. SULZER. They would be able, if the tariff were reduced on sugar, to get the benefit of the reduction, in your opinion?

Mr. MOTT. I think so.

Mr. SULZER. In other words, if you could buy raw sugar to-day without paying the tariff tax, you would sell it for about the price you are selling it for now, less that tax?

Mr. MOTT. Exactly.

Mr. SULZER. And to that extent the consumers of the country would get the benefit of the reduction?

Mr. MOTT. Precisely.

Mr. SULZER. That is all, Mr. Chairman.

The CHAIRMAN. Gentlemen, unless there is some particular matter—

Mr. RAKER (interposing). There are just one or two questions I want to ask, Mr. Chairman.

About what percentage are your refining factories above the capacity that you now use?

Mr. MOTT. I do not know that I can answer that without reference to the books. I do not know whether that has been put in in Mr. Atkins's testimony or not.

Mr. SULZER. It has not.

The CHAIRMAN. His statement does not cover that.

Mr. CRAWFORD. The question is the difference between the total capacity of the refineries and the total production?

The CHAIRMAN. Yes. In other words, to what extent are they being run as to the full capacity? You can supply that, can you not?

Mr. MOTT. Yes.

The CHAIRMAN. He can give that to us now, possibly.

Mr. MOTT. Practically all our refineries that are running are running to full capacity now, with the exception of the Havemeyer & Elder, where there is some repair work, putting in boilers, that prevents them running full. That makes a difference of perhaps some 1,000,000 pounds a day there, and you would have to add to that the capacity of the idle refineries.

Mr. RAKER. How many idle refineries have you?

Mr. MOTT. The refineries that are held in reserve. There is the one in New Orleans and the Franklin in Philadelphia.

Mr. RAKER. Could not you give that in capacity of barrels per day that you have now in reserve, or that are in excess of what you run them to at the present time?

Mr. MOTT. The Franklin capacity, I think, is 2,000,000 pounds a day.

Mr. RAKER. How many barrels?

Mr. MOTT. About 6,000.

Mr. RAKER. And 6,000 barrels from Havemeyer & Elder's?

Mr. MOTT. No; about 4,000 that are not being worked there.

Mr. RAKER. What others?

Mr. MOTT. And the Louisiana refinery, probably about 5,000 barrels.

Mr. RAKER. About 15,000 barrels, that is. What others?

Mr. MOTT. I think that is all I know of.

Mr. RAKER. Now as to those that are running, they are run to about what capacity?

Mr. MOTT. I figure it at 40,000, roughly. I think that is about correct.

Mr. RAKER. Are they run to about 80 per cent of their full capacity as to the ones that are running?

Mr. MOTT. Yes.

Mr. RAKER. How long has this condition existed—for ten years—the condition as to the capacity of the mills producing more than you are now producing—those that are in reserve and those that are in use?

Mr. MOTT. Well, under that, I think; yes.

Mr. RAKER. During the last 10 years there has been no necessity for increasing the capacity of your plants?

Mr. MOTT. No; I think not.

Mr. RAKER. That would have a tendency to lower just that amount of sugar being produced and put upon the market, according to the capacity that they are not run, and those that are in reserve, as you have stated.

Mr. MOTT. I do not quite catch your question.

Mr. RAKER. You have stated that your refineries that are running are running to about 80 per cent of their capacity?

Mr. MOTT. I think that is about right.

Mr. RAKER. Then you have just named in reserve to the extent of about 15,000 barrels a day?

Mr. MOTT. Yes.

Mr. RAKER. Because of holding those in reserve and because of holding these others to only 80 per cent of their capacity, you will reduce or had reduced the output of refined sugar under what you could put out to that extent—15,000 barrels for those in reserve and 20 per cent of the capacity of those that are running?

Mr. MOTT. Yes; that is substantially right.

Mr. RAKER. Men wanting to engage in that business, knowing that fact, would not very likely go into the business, would they?

Mr. MOTT. They have gone into the business.

Mr. RAKER. They have, but it is a sort of damper on them, is it not?

Mr. MOTT. It might be, I suppose.

Mr. RAKER. Now, Mr. Mott, that is the real situation, is it not?

Mr. MOTT. There have been refineries built and gone into business in the last 10 years.

Mr. CRAWFORD. It was not much of a damper on Mr. Spreckels.

Mr. MOTT. Somebody might. There is always talk about building refineries at various points other than New York, Philadelphia, Boston, and New Orleans. There is talk about building one in Galveston and in Charleston—I mean quite recently.

Mr. RAKER. That is a matter of speculation in that feature, is it not?

Mr. MOTT. Yes; but I suppose capital can be induced to go into the business if they think they will make it successful, even if there is a larger capacity unused.

Mr. RAKER. But when the largest institution in the United States is running, say, to about 70 per cent of its capacity, a good clear-headed business man would not want to go into that business unless he had money enough to go into competition with you, would he?

Mr. MOTT. I can not tell you about that; I do not know.

Mr. RAKER. Do you have an expert accountant to go through your books each year and make a summarized statement of the situation?

Mr. MOTT. Yes, we have.

Mr. RAKER. Have you any of those tabulated statements from your expert accountants?

Mr. MOTT. Yes.

Mr. RAKER. For each year? For say the last 10 years?

Mr. MOTT. I do not know. I think those people have only been employed in the last year or so.

Mr. RAKER. For the last two years have you that statement?

Mr. MOTT. I think there is.

Mr. RAKER. Can you and will you produce that and send it to the chairman of this committee?

Mr. CRAWFORD. The same request was made of Mr. Thomas, and Mr. Thomas has one of those now prepared. Of course there is no objection to having two.

Mr. RAKER. I want to make a sufficient number of requests so that I will get at least one.

Mr. MOTT. We have our regular printed annual statements.

Mr. RAKER. That is not what I want. I want the detailed statement. Is that what Mr. Thomas will furnish?

Mr. CRAWFORD. He was asked to furnish a copy of the last balance sheet. That I will give.

Mr. RAKER. That is not what I want. I want the detailed sheet made by your expert accountants who went over your entire business, books, and records for the year 1910; not the summary, but the detailed statement, just like a public accountant goes into county affairs.

The CHAIRMAN. In other words, if you had an auditor go through your books and make a report to the company, he wants a copy of the report.

Mr. CRAWFORD. If we did that. I do not know what they produced. I do not believe Mr. Mott knows, but whatever they produced you are perfectly welcome to have.

Mr. RAKER. I understood Mr. Mott to say they made that.

Mr. MOTT. I referred to what I send out to our stockholders—the annual report, which I think is certified to by expert accountants. That is what I had in mind.

Mr. RAKER. That is not what I meant.

The CHAIRMAN. Have you had an auditor go through your books and make a full detailed report to the American Sugar Refining Co.?

Mr. CRAWFORD. They go through the books every year. What they give in addition to this balance sheet or printed report to the stockholders, I do not know. Whatever there is you are perfectly welcome to have. They do not reproduce the books, of course. They make something in the way of a report. Whatever it is I will try and get for you.

Mr. RAKER. Do the directors of the American Sugar Refining Co. receive a salary as directors?

Mr. MOTT. No, sir.

Mr. RAKER. Have they within the last 10 years?

Mr. MOTT. No, sir—well, I have no knowledge of it in the last 10 years, but I believe not.

Mr. RAKER. I have been furnished this statement—I do not know where it came from—that you were the private secretary of Henry O. Havemeyer. That you say is not the fact?

Mr. MOTT. I say Mr. Havemeyer had no private secretary.

Mr. RAKER. But that does not answer the question. I want a definite, positive answer.

Mr. MOTT. I was not Mr. Havemeyer's private secretary.

Mr. RAKER. At no time?

Mr. MOTT. At no time.

Mr. RAKER. Do you know William Henry Barnes?

Mr. MOTT. I do not think I ever heard the name. I do not know the man. I do not know such a man.

Mr. RAKER. That is all, Mr. Chairman.

The CHAIRMAN. I believe you said just now, Mr. Mott, in reference to this sugar you export to England, and get a drawback on, that your judgment is that principally refined out of Cuban raw sugar, although there may have been some Java?

Mr. MOTT. Yes.

The CHAIRMAN. If of course it was refined out of Cuban raw sugar, the drawback would have been 99 per cent of 1.348, and if out of Java it would have been 94 per cent of 1.65?

Mr. MOTT. Yes.

The CHAIRMAN. That seems to be all, Mr. Mott, and the committee will excuse you with its thanks for your attendance.

(Witness excused.)

TESTIMONY OF MR. CLAUS AUGUSTUS SPRECKELS—Continued.

The CHAIRMAN. Mr. Spreckels, you have been sworn and are recalled, and are still under oath.

You were to make up several memoranda for the committee. Of course, you have not had time to do that?

Mr. SPRECKELS. I have not had time to complete them.

The CHAIRMAN. If you can complete them, I would like for you to do so by next Monday and send them to me at Washington. The committee will hold its next session in Washington at 10 o'clock on next Monday morning.

Mr. SPRECKELS. I will be glad to do so.

The CHAIRMAN. During your previous testimony you mentioned certain letters showing why you finally severed your connection with the American Sugar Refining Co., after they bought out an interest in the Philadelphia business of your father. Have you found any of those letters? Have you been able to lay your hands on them?

Mr. SPRECKELS. I stated that that was the starting point which led up to the final friction.

The CHAIRMAN. That they wanted to limit the amount of your output and get a higher price for it, and you thought the other policy of running full steam and getting a profit in that way was better?

Mr. SPRECKELS. These [indicating] are all the letters I have so far been able to find.

The CHAIRMAN. Did those letters come to you by due course of mail?

Mr. SPRECKELS. They did.

The CHAIRMAN. Are you familiar with the signatures of the people who wrote them?

Mr. SPRECKELS. I am.

The CHAIRMAN. Are those the genuine original letters received?

Mr. SPRECKELS. They are.

The CHAIRMAN. About how the business at Philadelphia should be run?

Mr. SPRECKELS. Yes.

The CHAIRMAN. Suppose you read those letters.

Mr. SPRECKELS. This was not after they bought it out, but after they bought 45 per cent.

The CHAIRMAN. And just before they bought it all out?

Mr. SPRECKELS. Yes. The first one I have is under date of September 1, 1891, and reads as follows:

NEW YORK, September 1, 1891.

C. A. SPRECKELS, Esq.,
Philadelphia, Pa.

MY DEAR SIR: I called you up at 4.10 this afternoon respecting refined, but you had gone. We went up to-day on our fine granulated to $4\frac{1}{4}$ cents both here and in Chicago, which I trust helped you out in disposing of some of yours and to-morrow morning we shall open the market at $4\frac{1}{4}$ for both standard and refined. The Philadelphia houses will also advance their prices, it being understood that you will do the same. As I may be detained in the morning I have been obliged to arrange our prices to-night, and assuming that you will co-operate have ordered the market as above. Please comply.

I go to Lenox to-morrow afternoon, leaving my office at 2.30. If you can come over so as to meet me before that hour I shall be glad to confer with you; otherwise please call me up on the phone at 10.30 in the morning and oblige,

Yours, very truly,

JNO. E. SEABLES, Jr.

On this letter I have a notation as follows:

No reply made.

The CHAIRMAN. Now read the next one.

Mr. SPRECKELS (reading):

NEW YORK, October 13, 1891.

C. A. SPRECKELS, Esq.,
Philadelphia, Pa.

DEAR SIR: I am in receipt of statement of meltings for last week, by which I see that you maintained your meltings at an average of 1,762,539 pounds during the week. I suggested on Tuesday last a reduction in your meltings to correspond with that which had been made by the other Philadelphia houses and which we are also making in New York. I understood you to concur in the arrangement to reduce meltings to 1,600,000 pounds, i. e., 20 per cent reduction. In view of your heavy accumulation of refined, I suggest that you make such reduction at once. In fact, I think if you reduce to 1,500,000 pounds you will still make all that it is possible to sell and find it very difficult to reduce your accumulation. The time has come when we must either make a substantial reduction in meltings or break the market, and I think the former will pay the better.

Yours, truly,

JNO. E. SEARLES, Jr.

Mr. SULZER. Did you make any answer to that letter, Mr. Spreckels?

Mr. SPRECKELS. No, I do not remember of making any answer, because my recollection is that I had never agreed to it. He had suggested to reduce our meltings, but I did not concur, as he states in the letter.

The next letter reads as follows:

NEW YORK, October 18, 1891.

C. A. SPRECKELS, Esq.,
Philadelphia, Pa.

DEAR SIR: Notwithstanding your positive assurance to the contrary, I learn that your firm did sell granulated yesterday in Richmond at 4½ delivered. This fact having been proved to the satisfaction of Messrs. Harrison Frazier & Co., they and Knight followed suit, and I learn this evening that you are offering sugars at 4½ in Philadelphia. The A. S. R. Co. will follow the market, and the probability is that we shall soon see 4 cents for granulated as the result.

This may be good business management, but I do not believe it. I think you are simply throwing away money.

Yours, truly,

JNO. E. SEARLES, Jr.

Mr. SULZER. Did you make any reply to that letter?

Mr. SPRECKELS. No, sir.

The CHAIRMAN. Now, read the next one.

Mr. SPRECKELS. The next letter is from Mr. H. O. Havemeyer.

OCTOBER 26, 1891.

MY DEAR MR. C. A. S.: Please do nothing foolish about selling refined. I am a little apprehensive on the subject, perhaps unwarrantably. I think you could safely keep a week or so ahead to protect yourself, but raw might turn against you or refined advance. We are 4½, asking 4½, and oversold.

Do get all you can for your product. Has anything irritated you?

Yours, sincerely,

H. O. H.

The CHAIRMAN. Who wrote that letter?

Mr. SPRECKELS. Mr. H. O. Havemeyer.

Mr. HINDS. Was that written in his own hand?

Mr. SPRECKELS. Yes, sir.

Mr. HINDS. Does it bear evidence to you that it has been put through a letter press? Is there that blotting which you usually see when a letter goes through a letter press?

Mr. SPRECKELS. It does not have that appearance; no, sir. I will pass it to you for your examination.

Mr. HINDS. It is suggested to me by a gentleman probably acquainted with business affairs that it does not seem to be written on both sides, so it may have gone through a letter press; but apparently that letter is abolished from any records of the Sugar Refining Co.

Mr. SPRECKELS. I do not know anything about that. Their records will probably show if they have a copy, and that will substantiate that letter.

Mr. HINDS. Apparently it has not been through a letter press.

Mr. SPRECKELS. It has never left my hands.

The CHAIRMAN. As I understand it, these letters presented by you are as corroborative proof of your statement that the real reason of your breach, after they bought an interest in the Philadelphia refinery, with the American Sugar Refining Co. as then constituted, was because they insisted on limiting the output of that Philadelphia refinery, the Spreckels, and thereby raising the price, and you insisted on some other policy, that the correct policy was to run it full steam and get your profits on the increased production.

Mr. SPRECKELS. That was my idea, and Mr. Searles—from the statements made to me, my father told Mr. Searles and Mr. Have-meyer—they had complained bitterly that I mismanaged the business, which culminated finally in the breach between my brothers and my father, which extended for over 15 years, until about 5 years ago, when my father sent for me and told me he had made the mistake of his life, that he finally found evidence and knew that all those people were wrong against us, and suggested at that time, "the only amends I can make—I will do the best I can to make amends, and I am going to appoint you executor of my will."

The CHAIRMAN. And he did that?

Mr. SPRECKELS. He did.

The CHAIRMAN. He was in accord with you for the balance of his life?

Mr. SPRECKELS. Yes, sir. He said it was the one mistake, he thought, in his whole life.

Mr. GARRETT. Mr. Spreckels, on yesterday a subcommittee of this committee took the testimony of Mr. Arbuckle. You had previously testified as to conversations with Mr. Arbuckle, in which he suggested a limitation of your output. Mr. Arbuckle denied in his testimony—I can not now repeat the language and I have not the stenographer's minutes before me—but the effect of it was, as I am sure Judge Madison will bear me out, an expressed denial of ever having made any such suggestion as that to you.

Am I correct about that, Judge Madison?

Mr. MADISON. Yes.

Mr. SPRECKELS. I can only repeat—I saw in the papers, but I did not know whether it had been correctly reported or not—I do not think I ever went to Mr. Arbuckle's office except as a matter of courtesy when he telephoned he would like to see me. I would say, "You are an older man, and I shall be very happy, and if more convenient I shall step around to your office, merely as a matter of courtesy." I have never gone there for the purpose of complaining to Mr. Arbuckle or anybody else. We have always felt we could hold our own with anybody. Mr. Arbuckle, not once but several

times, has suggested—of course, he said, “You can understand we can have no agreement”——

The CHAIRMAN (interposing). On account of the Sherman law?

Mr. SPRECKELS. On account of the Sherman law—the antitrust law, as he put it. He said, “But you know we are producing too much sugar and we are all melting too much.” In one instance he said, “Our capacity is two and a quarter or two and a half millions”—I have forgotten the amount he said—but we are only melting 1,500,000. We are producing too much.” I said, “Mr. Arbuckle, if that is what you want, I will tell you now the Federal will never reduce one pound so long as I have anything to do with the institution.” It was my suggestion not to say “you must reduce.” I frequently heard it stated by Mr. Havemeyer that he would “feel better if you did reduce,” but did not say “you ought to reduce or must reduce.”

Mr. GARRETT. One of the matters he detailed to this subcommittee, of which I do not think the full committee has heard before, was something about the establishment of a laboratory here with regard to polariscopic work and tests, and he stated to the subcommittee that you refused to go into that sort of an agreement, and the impression he left upon the subcommittee, I think, was that it had reference only to certain technical phases of the situation as to sugar tests. He gave as his opinion that you refused to go into it because of your intense antagonism to the American Sugar Refining Co. I want to ask if that establishment of that laboratory, whatever it was—I confess it is not clear in my mind what it was—involved anything more than a technical matter of sugar tests.

Mr. SPRECKELS. A few years ago, during the life of Mr. Havemeyer, Mr. Arbuckle requested a conference about the establishment of a sugar laboratory for the purpose of analyzing sugar.

Mr. GARRETT. He said that all the refiners were getting robbed on that polariscopic business, and that his suggestion grew out of that.

Mr. SPRECKELS. I disclaim that. I do not think we were robbed.

He told me that he had had a conference with Mr. H. O. Havemeyer, and the result was they were going to have and invite all the importers and all the refiners in the establishment of a trade laboratory for the purpose of analyzing their sugars; that he had it arranged, giving me the names of the then three directors who should have charge of the establishment. No refiner, no importer, nobody should have anything to do with it. One of the men was an importer, another was connected with the National Sugar Refining Co.?

Mr. GARRETT (interposing). Who was the importer?

Mr. SPRECKELS. Mr. McDougal.

Mr. GARRETT. Was he a chemist?

Mr. SPRECKELS. No, sir; he was an importer.

Mr. GARRETT. Who was the one connected with the National Refining Co.?

Mr. SPRECKELS. I think it was Mr. Bunker. I have forgotten who the third one was. I said, “Why did you appoint these men?”

Mr. GARRETT. Do you remember the connections of the third man and whether he was a seller?

Mr. SPRECKELS. I do not recall his name.

Mr. GARRETT. Do you recall his connections?

Mr. SPRECKELS. He was one of the trustees.

Mr. GARRETT. But was he connected with any particular refinery?

Mr. SPRECKELS. I am not certain. I do not recall. I may recall later on, possibly. This afternoon I will probably be able to give you the names.

I said, "Mr. Arbuckle, why did you appoint these men? If this is to be an establishment for the benefit of all the refiners and all the importers and all the buyers and sellers of sugar, why don't you hold a meeting and we will all come in and then elect the different trustees; but you are arbitrarily going on and appointing one from the National and another an importer and these people connected with refineries to tell us what we shall pay for our sugar." I said, "I don't agree to do that."

Mr. GARRETT. Do you mean by saying that "to tell us what we shall pay for our sugar"——

Mr. SPRECKELS (interposing). In other words, the buyer and seller should submit their samples to this laboratory and their tests should be the prevailing tests upon which settlement should be made.

The CHAIRMAN. As to grade?

Mr. SPRECKELS. As to grade; and I did not feel like placing myself in the hands of Mr. Havemeyer.

Mr. GARRETT. Have you since gone into that?

Mr. SPRECKELS. Since that time, and only quite recently, within the past two months, I think, we did join, because for the first time I felt that they had a sufficient number of members who would not resort to tricks. I felt it was getting on a basis where honesty might prevail. That is my sole reason for now entering the proposition.

Mr. GARRETT. There was at the beginning nothing more than what you have stated involved?

Mr. SPRECKELS. That is all.

Mr. GARRETT. Now, about this conversation with Mr. Arbuckle, in which he suggested those limitations on melting?

Mr. SPRECKELS. It was a suggestion. He told me what he was doing.

Mr. GARRETT. You say those did occur?

Mr. SPRECKELS. Yes, sir; they did.

Mr. GARRETT. He said the output now of the refineries was heavier than it was some years ago. Do you know whether it is heavier in percentage or heavier in pounds?

Mr. SPRECKELS. I do not know whether their capacity has been reduced.

Mr. GARRETT. That is all, Mr. Chairman.

Mr. HINDS. Do you think that the Sugar Trust in later years has not had what might be called the underhanded advantages that enabled it to flourish in its earlier years?

Mr. SPRECKELS. I think in the past year they have reformed, in other words. That is my impression. I think it is fair to state that.

Mr. HINDS. Will that tend to enable a freer and fairer competition in the sugar market, do you think, in the market for the consumer?

Mr. SPRECKELS. A fairer competition?

Mr. HINDS. Yes.

Mr. SPRECKELS. I think so.

Mr. HINDS. It will tend to benefit the consumer?

Mr. SPRECKELS. I do not know as to that. The only thing that will tend to the benefit of the consumer, in my opinion, is the tariff.

Mr. HINDS. Then any other reforms are hopeless and useless?

Mr. SPRECKELS. Absolutely. [Laughter.]

Mr. MADISON. The only chance there would be to reduce sugar, outside of the matter of the tariff, is in the margin between refined and raw. Is not that true?

Mr. SPRECKELS. I do not quite follow you, Judge Madison.

Mr. MADISON. The only place where there would be an opportunity for a reduction to take place—I am putting this as a question rather than a statement, however—is in the margin between the price of raw and the price of refined sugar.

Mr. SPRECKELS. Yes; that would be a reduction.

Mr. MADISON. What is the average margin?

Mr. SPRECKELS. That varies.

Mr. MADISON. But what is the average? What is it to-day?

Mr. CRAWFORD. That is in the record, Judge Madison.

Mr. MADISON. I know, but he can repeat it.

Mr. SPRECKELS. 74.3 cents per 100 pounds.

Mr. MADISON. If you were going to attempt a reduction to-day—I ask you, because I am thoroughly convinced you are not a member of a combination or anything of that kind, if there is a combination, and therefore I think your testimony is material and important. If you were going to reduce the price of refined sugar to-day, is there any other place you could go to reduce it except to reduce it on that 74.3 cents, assuming you could not interfere with the tariff?

Mr. SPRECKELS. No; there is no other place only the tariff.

Mr. MADISON. There is no other place that you, C. A. Spreckels, could go except to the tariff?

Mr. SPRECKELS. No, sir.

Mr. MADISON. In other words, you have not any influence over the price of raw sugar?

Mr. SPRECKELS. No, sir.

Mr. MADISON. That is fairly fixed, you think, by the markets of the world and the tariff?

Mr. SPRECKELS. And the tariff; yes, sir.

Mr. MADISON. In other words, the so-called Sugar Trust can not have any effect on the price of raw material?

Mr. SPRECKELS. They have no monopoly on the raws.

Mr. MADISON. Except that they might have and all of you may have during the time when sugars are coming in and everybody is trying to sell, then you are trying to buy as cheaply as you can, naturally.

Mr. SPRECKELS. Yes.

Mr. MADISON. As a consequence, the only two places you can go for reduction is, first, the tariff, and second, the margin between the raw and the refined.

Mr. SPRECKELS. Precisely.

Mr. MADISON. Is there any room in that 74 cents to-day? Does that represent anything more than a fair margin?

Mr. SPRECKELS. It is hardly large enough—I mean the margin of profit is very small in that percentage.

Mr. MADISON. How much of that is profit to the refiner to-day? Taking your own plant as a sample, how much is profit?

Mr. SPRECKELS. I should say 10 cents a hundred pounds.

Mr. MADISON. The rest of it is expense in refining?

Mr. SPRECKELS. The actual expenses; yes, sir.

Mr. MADISON. Taking into consideration all the proper things that should be considered under the items of expense?

Mr. SPRECKELS. That is true.

Mr. MADISON. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Spreckels, we will excuse you with our thanks for your attendance. At a later date, when you have made up these statements, we may ask you to come down to Washington and explain them.

Mr. SPRECKELS. Very well, Mr. Chairman.

TESTIMONY OF JOSEPH A. FREEMAN—Continued.

The CHAIRMAN. Mr. Freeman, you have heretofore been on the witness stand and sworn, and you are secretary of this company?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. I notice in the minutes of the executive committee of the American Sugar Refining Co. this statement, to which my attention has been directed by the subcommittee:

Pages 71 to 74, inclusive, were removed from the book by order of the executive committee. See minutes of March 25, on page 78.

When you turn over to page 78 you will see somebody said the minutes were incorrect and they took them out.

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Do you know anything about that transaction?

Mr. CRAWFORD. What is the date of that?

Mr. FREEMAN. March, 1902. No; I know nothing about the matter.

The CHAIRMAN. Where are those sheets that are missing? Have you custody of those in any way?

Mr. FREEMAN. I never heard of them before. I have no custody of them.

The CHAIRMAN. Are you satisfied they are not in the records of the American Sugar Refining Co.?

Mr. FREEMAN. I am. If they cut them out I imagine they were destroyed.

The CHAIRMAN. I thought maybe they might have been around some place and you had gathered them up. You have no knowledge of anything of the sort, and have never seen those missing sheets?

Mr. FREEMAN. I never have.

The CHAIRMAN. And you are satisfied you would have seen them if they had been among the papers under your control?

Mr. FREEMAN. I think so. I have made no search for them. I assumed they were destroyed.

The CHAIRMAN. Suppose you do look, just to be certain.

Mr. FREEMAN. All right, sir, I will.

The CHAIRMAN. And if you can find them, you may send them to us, although I do not suppose you will be able to do it. You know nothing about how that mutilation occurred or what became of the sheets or anything about the matter?

Mr. FREEMAN. No, sir.

The CHAIRMAN. Mr. Heike was secretary then?

Mr. FREEMAN. He was.

The CHAIRMAN. I suppose we will have to get after him for that information, but I wanted to get all the secretaries I could find.

Mr. HINDS. If the entry states those pages were incorrect, does the corrected form appear there?

The CHAIRMAN. Yes; the corrected form appears on the next sheet.

Mr. HINDS. If that is a matter of record, that is all I care about.

The CHAIRMAN. We were curious to know whether they might have found it was necessary to destroy them, and for that reason thought we would like to see those sheets, if we could find them.

When will you be prepared to give us all these minutes we have called for, Mr. Freeman?

Mr. FREEMAN. They are being copied now. Volume 1 of the directors' minutes is finished; volume 2 of the directors' minutes is nearly finished, and I will have the directors for you in the course of two days. The executive committee's copies will probably not be ready for a week.

Mr. MADISON. Mr. Freeman is cooperating with us in every way, Mr. Chairman, and has gone out of his way to see to it. I personally have seen the books, and he and Mr. Gannon helped in every way possible, and I want personally to thank them.

The CHAIRMAN. The committee is grateful to them both. We want these records if we can have them before the adjournment of Congress, which may happen some time early in August, for the purpose of putting them all together in our record.

Mr. FREEMAN. I will do the very best I can, Mr. Chairman.

The CHAIRMAN. You may be excused, Mr. Freeman.

Gentlemen, the committee will stand adjourned at this time until next Monday morning at 10 o'clock, when we will resume our hearings in Washington.

(Thereupon, at 1.30 o'clock p. m., the committee adjourned until Monday, July 31, 1911, at 10 o'clock a. m., at the committee room in Washington, D. C.)

No. 31

HEARINGS

HELD BEFORE THE

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE
AMERICAN SUGAR REFINING CO. AND OTHERS**

MONDAY, JULY 31, 1911

HOUSE OF REPRESENTATIVES

**WASHINGTON
GOVERNMENT PRINTING OFFICE
1911**

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN
SUGAR REFINING CO.**

HOUSE OF REPRESENTATIVES.

THOMAS W. HARDWICK, *Chairman.*

**FINIS J. GARRETT.
WILLIAM SULZER.
JOHN E. RAKER.
H. M. JACOWAY, JR.**

**GEORGE R. MALBY.
J. W. FORDNEY.
E. H. MADISON.
A. C. HINDS.**

AMERICAN SUGAR REFINING CO.

SPECIAL COMMITTEE ON THE INVESTIGATION
OF THE AMERICAN SUGAR REFINING CO. AND OTHERS,
HOUSE OF REPRESENTATIVES,
Monday, July 31, 1911.

The committee met at 10 o'clock a. m., Hon. Thomas W. Hardwick (chairman) presiding.

The CHAIRMAN. Gentlemen, we do not want to be discourteous to anyone in the room; but we want to have a short executive session before the committee begins its session.

(The committee thereupon went into executive session, at the expiration of which it resumed its open session.)

The CHAIRMAN. Gentlemen, the committee will be in order. Before Mr. Palmer is sworn there are certain statements which the Chair desires to make and certain things to be put in the record.

At one of the hearings in New York the Chair stated that his recollection of the inventory of the Havemeyer estate showed that that estate owned a considerable interest in the California-Hawaiian Sugar Refining Co. At the time the statement was doubted by some gentlemen, and the Chair stated that the record itself, of course, would show what the facts were about that—that is, the report of the appraiser. I find, on examination of that paper, which I am going to put into the hearings, that the estate of Henry O. Havemeyer does not own any interest in the California-Hawaiian Sugar Refining Co., so far as the inventory of his estate discloses. The interest which confused the Chair was the interest in the Cuban-American Sugar Refining Co. The Chair has, somehow or other, been confusing the two names all through the hearings. I want to make this statement as publicly as I made the other statement, so that the matter may be fully corrected. The stenographer will put into the record the return of the appraiser of the estate, which shows exactly what the interests are.

(The above-mentioned paper will be found at the end of this morning's hearing.)

Now, gentlemen, there are certain supplemental statements, to which I will direct the attention of the committee before we begin the oral testimony. At different periods during this investigation, and with various witnesses, either the chair or some other member of the committee has requested that certain supplemental information be furnished, which could not be furnished by the witness from the memoranda in hand. We now have a mass of that here in the form of letters, statements, etc. Shall we just put it in the record, gentlemen, without reading it, or shall I read it?

Mr. GARRETT. Put it in the record without reading it. We will all have to read it over, anyhow.

The CHAIRMAN. Yes; we will all have to read the record. The first is the supplemental statement of Mr. R. M. Parker, traffic man-

ager of the American Sugar Refining Co., with certain accompanying exhibits.

The next is a letter from Mr. Spreckels about the capitalization of the Federal Sugar Refining Co., and also about the number of tons of beet sugar consumed by the Federal Sugar Refining Co., supplementing his statement along certain lines requested by one of the members of the committee. I will just put that letter in the record.

Mr. GARRETT. That is Mr. C. A. Spreckels?

The CHAIRMAN. Yes. Next, two letters from Mr. Edwin F. Atkins, furnishing to the committee supplemental information asked for of him.

Next, a letter from C. S. Morey, containing certain facts about some western sugar company that were asked for by the committee. At least, he sends an auditor's statement about those facts, with a memorandum from him, indorsing the auditor's statement as correct.

Next, two letters and one affidavit from Mr. Washington B. Thomas, supplementing the evidence that he gave in New York to the committee, and certain exhibits accompanying them.

Next, Willett & Gray's market quotations at New York, and other figures, to be filed, I believe, as an exhibit to Mr. Atkins's letters.

Next, certain financial statements of the Utah Sugar Co., the Idaho Sugar Co., the Western Idaho Sugar Co., the Fremont County Sugar Co., and the Utah-Idaho Sugar Co., sent to us by Mr. Thomas R. Cutler.

(The above-mentioned supplemental statements and exhibits will be found appended to this morning's hearing.)

The CHAIRMAN. Gentlemen, I believe that is all for the present. I think I have one other matter, supplemental information that I asked for, being letters or copies of letters furnished by George H. Earle, which, he says, were not included in the Senate hearing, relative to this Kissel matter. I will present that this morning or this afternoon. That concludes the statement, except as to the Earle letter, which I will present later.

TESTIMONY OF MR. TRUMAN G. PALMER.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Mr. Hinds will open the examination of the witness for the committee.

Mr. HINDS. What is your full name, Mr. Palmer?

Mr. PALMER. Truman G. Palmer.

Mr. HINDS. And your residence?

Mr. PALMER. Chicago, Ill.

Mr. HINDS. What connection have you had with the production of sugar, or the manufacture of it? Have you been practically engaged in it?

Mr. PALMER. No, sir; I am not a practical sugar manufacturer. My connection has been with an association of the beet-sugar factories, gathering statistics to be used in this—

Mr. HINDS. How long have you been gathering those statistics and making examinations into that subject?

Mr. PALMER. I have been making a study of the subject for 15 years, and have been connected with the companies for 9 years.

Mr. HINDS. Have you been in all parts of the United States in that connection? That is, in the sugar-beet growing parts of the United States?

Mr. PALMER. Yes, sir; most of them. I have not been in Arizona, for instance.

Mr. HINDS. You have seen and gone through the sugar factories and refineries generally, in the East and West?

Mr. PALMER. Yes, sir; not only in the United States, but in the various sugar-producing countries of Europe.

Mr. HINDS. What countries?

Mr. PALMER. France, Germany, Holland, Belgium, Austria, and Hungary.

Mr. HINDS. Have you been into the beet fields of the United States, among the farmers who raise beets?

Mr. PALMER. Yes, sir.

Mr. HINDS. That is, I mean not those beet fields connected with the factories, but among the farmers who contract to deliver beets?

Mr. PALMER. Yes, sir.

Mr. HINDS. In what States have you been among them?

Mr. PALMER. In Michigan, in Colorado, and in California. I think that is all the States where I have been among the farmers.

Mr. HINDS. Have you made any investigation as to the soils of the United States in relation to their adaptability for raising beets?

Mr. PALMER. No, sir; that has been taken up so thoroughly by the Department of Agriculture in its scientific way that there would be nothing for me to add to that or to gain.

Mr. HINDS. You have, you say, gathered statistics as to the sugar industry both here and abroad?

Mr. PALMER. Yes, sir.

Mr. HINDS. In all its branches?

Mr. PALMER. Yes, sir.

Mr. HINDS. Have you any of those statistics reduced to compact and tabular form?

Mr. PALMER. Yes, sir.

Mr. HINDS. So that they can be easily inspected and seen?

Mr. PALMER. Yes, sir.

Mr. HINDS. For instance, as to the sugar production, what statistics would you be able to give us?

Mr. PALMER. I have a table here showing the cane and beet sugar production of the world from 1812 to date, and showing the percentage of cane and the percentage of beet.

Mr. HINDS. Mr. Palmer, what, in a general way, and in a few words, does that table show as to the trend of the world now in getting its sugar supply? I mean by that, are they relying more and more on cane or more and more on beets?

Mr. PALMER. Well, there has been a change in the trend of late. In 1840 we got but 4.35 per cent of our sugar from beets.

Mr. HINDS. That is, you mean the world?

Mr. PALMER. The world; yes, sir. In 1860 it was 18 per cent; in 1870 it was 36 per cent; in 1880 it was 47 per cent; in 1890 it was 51 per cent; in 1900 it was 62 per cent; in 1910 it was 50.5 per cent.

The signing up of the Brussels Conference in 1902 stopped the trend in a way. It made the European countries do away with their boun-

ties, and it was those bounties which enabled them to sell beet sugar at a lower price than cane sugar, because of the bounties being paid.

Mr. HINDS. And at a lower price than it could be actually produced at, I suppose?

Mr. PALMER. Yes, sir; they were selling beet sugar at a lower price than the cost of production.

Mr. HINDS. Are you able to file that table for insertion in our record?

Mr. PALMER. Yes, sir.

Mr. HINDS. I presume it will be of interest to the committee to have it.

Mr. PALMER. I will say that there are no statistics available, so far as I have found, for cane sugar prior to 1836. The beet sugar runs back to 1812.

Mr. HINDS. May I ask you, Mr. Palmer, if that table, as you have it made up there, shows on its face the sources from which you got your statistics?

Mr. PALMER. Yes, sir.

Mr. HINDS. It does?

Mr. PALMER. Yes, sir; there is a long footnote.

Mr. HINDS. And that shows the sources?

Mr. PALMER. Yes, sir.

Mr. HINDS. So if we or anyone wish to verify the figures they can be verified from that footnote?

Mr. PALMER. Yes, sir.

(The table above referred to will be found at the end of to-day's hearing, marked "Palmer No. 1.")

Mr. HINDS. You seem to have other tables there. May I ask if you have anything else in the same line?

Mr. PALMER. Yes; I have a table here showing the world production of beet sugar by countries. The other table shows the total. This table shows it for France, Germany, Austria-Hungary, Russia, Belgium, Holland, the United States, and the other countries are put in as a whole.

The CHAIRMAN. Pardon me for one minute. I wish you would just number these tables as they are referred to. The first one is No. 1. Number that one No. 2, and then number the others in order as you refer to them.

Mr. PALMER. I will do so. This [indicating] shows the starting of the beet-sugar industry in 1812-13, when Napoleon started the industry and built 334 factories in two years, France being the first country to make any progress in it. Then it was taken up later by Germany. She started in in 1836 and produced 1,400 tons, while France that year produced 35,000 tons, the other countries gradually coming in at a later date.

Mr. HINDS. What does that show as to the United States as compared with European countries? Are we carrying our beet-sugar development to the extent to which they do?

Mr. PALMER. No, sir. The first notation on here for the United States is 1863, 407 tons; and we did not get up to 1,000 tons until 1879. When we passed the Dingley bill in 1896 we had gotten up to 29,000 tons. The increase since that has been quite rapid. In 1901-2 it was 167,000 tons; in 1904-5 it was 219,000 tons; and in 1909-10 it was 465,000 tons.

The industry virtually has been built since the passage of the Dingley law.

Mr. HINDS. Has the establishment of the industry in Europe in its present dimensions been solely the result of tariffs and bounties, do you think?

Mr. PALMER. Yes, and no. They could not, or would not, have started it had it not been for the tariffs and bounties; but——

Mr. HINDS. What was in the minds of their leading men, their most advanced men, when they went to the extraordinary extent of giving bounties to start an industry when they might have gotten sugar, possibly, elsewhere, at less expense? That is, was it in order that they might get the sugar, or in order that they might get some incidental advantages in their agriculture?

Mr. PALMER. In my study over there I endeavored to meet as many prominent political economists as possible.

The CHAIRMAN. As many what?

Mr. PALMER. As many agricultural scientists and political economists as possible; and I find that there is but one opinion, and that is, that the great advantage of the sugar-beet culture is the indirect advantage, the fact that because of growing beets one year you can grow more and more of other crops for three succeeding years.

Mr. HINDS. How is that, Mr. Palmer? The beet takes something out of the soil, does it not? It exhausts the soil does it not?

Mr. PALMER. Well, yes; any crop grown year after year on the same soil will do that; but it does it in this way——

Mr. MADISON. May I interrupt you for a moment?

Mr. HINDS. Surely.

Mr. MADISON. There has been a good deal of statement here that, as a matter of fact, the beet itself does a great deal of harm to the soil; that it is a very exhausting crop. Now, is that true?

Mr. PALMER. That is not true, as shown by chemical analysis of the constituents taken out of the soil by the beet.

Mr. MADISON. Is it not a fact that the beet gets its principal sustenance and the chemical elements which it uses from the sun rather than from the soil?

Mr. PALMER. The sugar comes entirely from the atmosphere. It is the sunlight and it is the rains which sweep over the fields. The sugar is gathered on the under edge of the leaf and is carried down through the stem of the leaf and deposited in the root. It does not come up from the soil. It comes wholly from the atmosphere; and if you would put back all the by-products you could raise beets on the same soil for 1,000 years and never injure it a particle.

Mr. HINDS. In other words, every sugar beet is a beehive. [Laughter.]

Mr. PALMER. That is a good illustration.

Mr. MADISON. A honey gatherer.

Mr. HINDS. A gatherer of honey; yes.

Mr. PALMER. In one line of experiments that I got hold of over there, experiments that were run over a period of 20 years—10 years prior to beet culture and 10 years subsequent to beet culture—they show an increased yield of wheat after beets, due wholly to beet rotation (all other conditions being the same), of 24 per cent. Of oats it is about 46 per cent.

Mr. HINDS. Even supposing that the beet takes nothing from the soil, what is the *modus operandi* by which the beet works this advantage to the soil?

Mr. PALMER. It is this. As you know, Napoleon was the man who started the industry; and he did not start it until his scientists had discovered the great beneficial effect of the sugar beet on the production of other crops and on the raising of stock.

The CHAIRMAN. Just a moment, if you do not mind. Is it not a matter of fact that history is entirely different from that? Is it not the fact that the motive that caused Napoleon to do it, independent of the thing you suggest, was the fact that the blockade was on, and that they could not get sugar from the countries where cane sugar was raised, and that therefore he was under the necessity, above all things else, regardless of how it affected the soil, to supply France with sugar? Was not that the principal reason?

Mr. PALMER. That was not the principal reason, in my judgment. It was not the principal reason why he started it. I think it was the principal reason why he investigated it. You see, Marggrof discovered sugar in the beet in 1747. He was at the head of the physical classes in the scientific school at Berlin; but he went to sleep over it. He did not do anything with it. Then Achard, a Frenchman by extraction, and Marggrof's successor, perfected a way of getting the sugar out of the beet. That was in 1799.

The CHAIRMAN. Was not that the same time that England had the blockade on?

Mr. PALMER. I do not remember the date that the blockade went on; but sugar was very high in France. I am coming right down to that. Achard succeeded in getting Frederick to advance him a very large amount of money to put up a factory at Cunern, in Silesia. He put up that factory, and he was so enthusiastic over it that he issued a statement saying that he extracted, I think it was, 5 and a fraction per cent of the sugar, and was able to make it for 10 or 12 cents a pound. That got into Napoleon's hands. Napoleon called in his scientists, and had the National Academy of Paris send a commission over to Silesia—and it was not such traveling as it is now—to investigate the matter and see if what Achard claimed was true. They came back and stated that it was substantially true; that he could not make sugar at the price he thought he could, but could make it at 16 cents a pound. Then Napoleon's scientists started in, and they spent nearly 10 years of investigation before they went at the construction of factories; and it was not until Napoleon's minister of the interior had reported that the culture of sugar beets increased the yield of other crops, and increased the stock-producing capacity of the farms, that Napoleon issued his famous edict appropriating 1,000,000 francs and commanding his minister of interior to see that the farmers planted 90,000 acres of beets the next year. They did not know a beet from a turnip; but they had to plant them.

The CHAIRMAN. What year was it that the edict was issued?

Mr. PALMER. That was March 23, 1811. Right in the back pages of this pamphlet you will find those edicts [indicating pamphlet]. Further answering your question, I will say that you can not investigate the sugar industry of Europe without coming to the conclusion positively and absolutely that the main reason why they grow sugar beets in Europe is because of the benefit to the soil thereby.

Mr. HINDS. From your pamphlet, which you have handed us, Napoleon seems to have had that in mind, and to have given that as one of the reasons why the cultivators should be reconciled to his somewhat arbitrary order.

Mr. PALMER. Yes, sir.

Mr. MADISON. What page is that?

Mr. HINDS. That is on page 9, wherein he says, in the decree of 1811:

The minister will also advise the cultivators that the growing of beet roots improves the soil and that the residue of the fabrication furnishes an excellent food for cattle.

Mr. PALMER. Yes.

Mr. HINDS. So that practically in 1811, in France, they understood this secondary or possibly primary value of the beet culture to the agriculture of the nation?

Mr. PALMER. Yes, sir.

Mr. HINDS. Mr. Palmer, if it was known in France in 1811, and if Europe has known it and acted on it within the lifetime of this generation, how is it that we do not understand it more in this country? Perhaps that question is a little off from the line of our inquiry—

Mr. PALMER. It is hard to understand. As early as 1836 John Church started a beet-sugar factory at Northampton, Mass. Church was an American who had lived abroad for 15 or 20 years, and he had made a study of the industry there. He had a property near Paris on which he intended to erect a factory, but on account of the Revolution he came back here to start a factory at his home town. He issued a book, of which I am making a review now, in 1836—his factory was built in 1837—and that book is filled with enthusiasm from cover to cover, and yet there is not a place in that book where you can find what the farmer gets out of the beet culture except by bringing your own figures to bear. In the introduction of the book he gives the number of tons of beets that they raise per acre. Further over in the book, where he is figuring the cost to manufacture, he gives the cost of the beets, so that by putting those two together you can say: "Yes; the farmers could get about \$60 an acre," as I recollect it, out of the beet culture, but that thought does not appear in the book. It all relates to the indirect advantages. That was away back in 1836, printed in Boston, and our people certainly have had an opportunity to know these facts.

Why, I was on an estate last year at Yenc, down near Prague, in Bohemia, one of Emperor Francis Joseph's imperial estates, on which a beet-sugar factory was erected 60 years ago. They have the records of that estate for 120 years. Mr. Rosam, the manager, is writing a history of the estate. I wish it was out. That record shows that for 60 years they have devoted one-third of the total cultivatable area of that estate to sugar beets, and the records show that with that one-third taken out for sugar beets the balance of the estate has produced more tonnage of all other crops than the entire three-thirds did before the introduction of the sugar-beet culture, and that the stock-carrying capacity of the estate has more than doubled.

The CHAIRMAN. Just one question there, if you will pardon me. Of course this is not my examination—

Mr. HINDS. I am very glad to have you interrupt me.

The CHAIRMAN. Does that record show that there is any rotation of the particular plots of ground in which the beets were planted?

In other words, did they plant the same acre in that same way, year after year, in beets, on that estate?

Mr. PALMER. Oh, no; no. They always rotated.

The CHAIRMAN. They rotated; exactly. Now, why?

Mr. PALMER. Because one crop takes one thing out of the soil and another crop takes another thing out of the soil.

The CHAIRMAN. Therefore the continuous culture from year to year of the same tract of land in beets would be injurious?

Mr. PALMER. Undoubtedly.

The CHAIRMAN. That is it. I think we are all together, now.

Mr. MADISON. We are not exactly together. As I understood you a moment ago, Mr. Palmer, you said that if you returned to the soil the by-products, that then it would be possible to go ahead with continuous cultivation. In other words, if you put back, after you extracted the sugar from the beet, the other things into the soil—that is, covered them under with the plow—you could go right ahead with continuous crops?

Mr. PALMER. That is true; but they do not put everything back, unfortunately.

Mr. MADISON. No; but can they do that?

Mr. PALMER. Yes, sir.

Mr. MADISON. I ask for information.

Mr. PALMER. Yes, sir.

Mr. MADISON. They can do that?

Mr. PALMER. Yes, sir.

Mr. HINDS. That brings me back to the question: What does the beet do to that soil that makes rotation with the beet so very desirable, rather than rotation with potatoes or anything else?

Mr. PALMER. It puts the soil in fine physical condition. In Napoleon's time they were plowing in Europe 3 or 4 inches deep. Agriculture had reached the lowest stage it had been in for 2,000 years. Away back in Cato's time, before Christ, agriculture was in a high state of productivity. Cato wrote a book on farm management that 999 farmers out of 1,000 in the United States would make money by following to-day, and Cato died 129 B. C. But they forgot him and his teachings, and they were plowing but 3 to 4 inches deep, and every fourth year they had to rest their soils, and not only to rest them but they had to go over the field and pull out weeds. The thinking people of Europe were in distress to know what they were going to do to feed their ever-increasing population. The production was running down all the time and the number of people was running up. Now, to answer directly how the beet does it: In the first place, you have to plow deeply. You should plow not less than 10 inches—very much better, 12 inches—and in most places on the other side, where they can, they plow 14 inches deep. They do not turn the soil up 14 inches, but they turn the top soil over, and subsoil. They simply stir the soil.

Mr. HINDS. Is that an extraordinarily deep rate of plowing, as compared with American methods?

Mr. PALMER. Oh, yes. We plow 5 inches; 7 inches is very deep for us. In plowing, if you plow the field constantly to the same depth the bottom part of the plow gradually hardens the soil beneath the place where you plow so that it is hard and the roots can not or do not go down there. When you come along with beets, you plow

this ground deeply. You put in your beets. Your beet, first of all, has a long tap root——

Mr. HINDS. How large is the sugar beet? I do not know whether any of the members of the committee ever saw a sugar beet.

Mr. PALMER. Why, the average factory sugar beet weighs about 2 pounds.

Mr. HINDS. How long is it from its top to its——

Mr. PALMER. It is about that long [indicating]; 8 or 10 inches long.

Mr. HINDS. It is much larger than the ordinary beet?

Mr. PALMER. It is much larger than the ordinary beet at the market place. It is larger than the little table beets that we use.

Mr. RAKER. You could lose a whole basket of them in a mangel wurzel beet, could you not?

Mr. PALMER. Yes. I was talking to Mr. Hinds the other day. It seems that he had some experience in raising beets in Maine back in the seventies, Judge, and last night I was reading a history written by Mr. Willett, written in 1891, on Maine, about the beets you have up there. You told me that you grew these mangel wurzels. I think you did, because he reports a yield of 49½ tons on one piece of ground up there.

Mr. HINDS. Yes; I have no doubt about it.

Mr. PALMER. The average is about 10 tons.

Mr. HINDS. The Mangelwurzel is a very large beet?

Mr. PALMER. Yes.

Mr. HINDS. I thought it well for us to understand that, because it makes more vivid the effect of the beet on the soil.

Mr. PALMER. Now, the average conception of a sugar beet of course—I should not say “of course,” but it is—is that it has one root. We do not stop to consider the wonderful network of minute fibrous roots that branch out from that one root and go all through the soil and gather nutriment for the main root. When you come along in the fall and plow out your beets you break off those little fibrous roots, and they are left in the soil; and it is estimated that those roots that are broken off and left in the soil is a ton to the acre. Well, that is a ton of humus carried down into that soil; and those rootlets rot, and thus leave interstices, so that the whole soil is aerated. Then when you come on with a grain crop following the beets, the roots of your grain crop, instead of stopping at five or six or seven inches, as they did before, find these little interstices, and they follow down and draw nutriment from ten to twelve inches of soil. In other words, you double your soil without increasing your area.

Mr. HINDS. Can you give us any statistics of any definite acreage in the United States where the effect of that greater soil for wheat has shown itself?

Mr. PALMER. Oh, yes; I recently prepared some data that has just been printed, in which I showed it in Ohio, in Michigan, in Wisconsin, in Iowa, in Kansas, in Nebraska, in Colorado, in Montana, in Utah, in Idaho, in Washington, and in California.

Mr. HINDS. Can you give us a statement as to one fairly sample acre, of what that did for production? Can you give us what the production was before the beets were put in and what it was afterwards, in wheat?

Mr. PALMER. Why, Mr. W. T. Wymont, of Warren, Weber County, Utah, reports 10 acres to beets. Previous to raising beets the land produced 25 bushels of wheat to the acre. Beets were grown on the land for 3 years—which is wrong—after which it was planted in wheat again, producing 45 bushels to the acre; an increase of 20 bushels to the acre.

Mr. RAKER. Is it not a fact, Mr. Palmer, if I may ask just one question there, that every other vegetable that you plant, for which you plow the soil as you do with the beet, produces more grain and more corn than it did before you thus planted it in the garden, as you plant the beet?

Mr. PALMER. That is quite true; true.

Mr. RAKER. And even to a larger per cent than with the beet?

Mr. PALMER. No, I think not.

Mr. RAKER. Have you any statistics that you could furnish as to that? I ask this now so that I can get it later on. Have you any statistics in relation to the yield of wheat after planting to potatoes, or after planting to any other vegetable?

Mr. PALMER. Well, for instance, Judge, you take Great Britain. It raises no sugar beets, but raises a heavy tonnage. There they raise turnips. The turnips help the soil in the same manner in which the sugar beets help the soil. The beauty of the sugar beet end of it is this: In the first place there is a market for them; more than there would be, say, for turnips.

Mr. RAKER. I did not intend to interrupt Mr. Hinds; but I wanted to get simply the statistics, as it is a very important and a very interesting matter in relation to the production of grain, such as wheats, oats, and barley upon a piece of land after it has been put into beets, in comparison with a piece of land after it has been put into potatoes, turnips, or corn or any other vegetable like that, that you must plow the year before.

Mr. PALMER. There is nothing that I know of that has as great a mass of fibrous roots as the sugar beet; but there are these other crops which approximate it. The one great thing, right in this line, is that a sugar-beet farmer, to make any money, has got to be a good farmer. If he farms in the shiftless way that he does for wheat and oats and various other things, he does not make any money. We have hundreds of cases where we put a factory up, a new factory, and the farmers start in. The first year they grow the beets they do not weed the beets; they do not cultivate the beets. They put out ten or fifteen or twenty dollars an acre, and they find that they have not made any money on beets, and they quit for a year or two. Then all at once they notice the German farmer over there, or the Hollander over there, and the Russian somewhere else making money on beets, and they commence to sit up and take notice. Then pretty soon they start in again and farm right, and make money on their beets.

One of the greatest advantages of the beet culture is that it takes especially in the West, our sagebrush farmers, as we call them, and makes trained, good farmers of them.

Mr. RAKER. I want this to go right in there. I don't want you to discredit every sagebrush farmer, for this reason: They have learned to raise alfalfa and other garden stuff, and when they plant their fields again they yield from 50 to 75 bushels of wheat per acre and from 60 to 90 bushels of barley and from 80 to 110 bushels of oats per acre.

So that there must be some pretty good farmers in the West that handle alfalfa to these other things, besides handling sugar beets.

Mr. PALMER. I did not mean to characterize all the western farmers as "sagebrush" farmers.

Mr. RAKER. I understand; but I just want to call attention to the fact that in other matters, especially, they have raised up to 110 bushels of oats per acre, 90 bushels of barley per acre, and 75 bushels of wheat per acre; so it shows that many men who are not raising beets, but who are raising these other things, are pretty well up on farming.

Mr. PALMER. Some of them surely are. You may know this man. (Reading:)

D. J. Murphy, of Chico, superintendent of the heirs of James Phelan, operating an 8,000-acre farm with 3,000 acres under cultivation, has grown sugar beets for five years, and has 600 acres to beets—

Mr. RAKER. That is down at Hamilton?

Mr. PALMER (reading):

Secures yield of 12 to 20 tons, and practices a rotation system consisting of wheat, followed by barley, then pasture of voluntary wheat or barley, followed by sugar beets—

Mr. RAKER. That is the way they do it.

Mr. PALMER (reading):

Plows 12 inches deep. Reports an increase in yield of wheat, due to sugar-beet rotation, from 10 to 12 bags, of 138 pounds each (23 to 27½ bushels) to 15 bags, of 140 pounds each (35 bushels); of barley, from 16 bags, of 108 pounds each (36 bushels), to 24 bags, of 108 pounds each (54 bushels).

That is right up in your neck of the woods.

Mr. RAKER. I know; but he does not say anything about how they have been raising about 8 to 16 bags of wheat over thousands and thousands of acres of land in Sacramento Valley, where they irrigate. He gives the bare report, but you find out that this is due to irrigation and not to the beets. I want to say in relation to this matter, that these people have all told me that there is nothing that you can put into the soil that hurts it as much as the sugar-beet culture, unless you rotate.

Mr. PALMER. No; I would not agree with that.

Mr. RAKER. I do not want to interrupt Mr. Hinds—

Mr. PALMER. It will injure it if you do not rotate, but we have beets right in your State, down at Chino, where they have grown beets 11 years in succession. It is brutal to do such a thing as to grow anything for 11 years in succession. I do not know what those people expect.

Mr. RAKER. May I ask one further question?

Mr. HINDS. Surely.

Mr. RAKER. You never made any investigation as to the sugar-beet culture in Honey Lake and Surprise Valley?

Mr. PALMER. No, sir.

Mr. RAKER. In Honey Lake the honey is so intense in the atmosphere that the willows and brush are sick with it. The Indians eat the bark off the trees to get the honey. [Laughter.] That would be a great beet country, would it not?

Mr. PALMER. I do not think you would have to grow beets there. All you would have to do would be to just gather the honey. I do

not see why one who lives in a country like that should come to Congress.

Mr. RAKER. Oh, it is the fact. I am stating the facts as they actually exist; but I wondered if you had ever investigated that country for sugar beets; because if you have, that atmosphere ought to be the best on earth. Go ahead, Mr. Hinds. I did not want to interrupt you; but it seemed such a good opportunity, when he told us the way the sugar came into the beet, that I thought I would suggest Honey Lake Valley as the most ideal spot on earth, as well as Surprise.

Mr. HINDS. How does the beet compare with the potato in the way of exhausting the soil? Have you ever examined into that?

Mr. PALMER. I have; but I can not give you the figures. They are published. The Department of Agriculture gives the figures. Those figures show the constituents that are taken out of the soil by each crop.

Mr. HINDS. Then you think that the reason why the United States production of beet sugar is not in proportion to that of other countries may be due, to a considerable extent, to the fact that we have not awakened to the agricultural possibility of that culture?

Mr. PALMER. Yes, sir.

Mr. HINDS. Will you file that table, numbering it No. 2, which shows the production in other countries?

Mr. PALMER. Yes.

(The above-mentioned table, marked "Palmer No. 2," will be found at the end of this day's hearing.)

Mr. HINDS. Now, to return to the original question as to what statistics you may have gathered up, I will ask you if that table which you have filed also shows the sources of your statistics?

Mr. PALMER. Yes, sir.

Mr. HINDS. You have other tables there in the same line, have you?

Mr. PALMER. I have a table here showing the European exports of sugar, by countries, from 1885 to 1910; showing the exports by countries.

Mr. HINDS. Unless some member of the committee has some question that he would like to ask on that, I ask that that be filed with the other tables.

(The table above referred to, marked "Palmer No. 3," will be found at the end of this day's hearing.)

Mr. RAKER. Does that give the source of the information?

Mr. HINDS. I will ask the same question. Does that give the sources of your statistics?

Mr. PALMER. Yes, sir. I have a table here showing the production of sugar in Hawaii, the United States beet sugar, Louisiana cane sugar, the production in Porto Rico, the production in Cuba, and the production in the Philippines, running from 1877 to 1910-11—thus showing our domestic and insular sugars.

Mr. HINDS. From what sources have you gathered the statistics for that table?

Mr. PALMER. Statistics from 1877 to 1897, except United States beet and Louisiana cane, are from "Summary of Commerce and Finance," July, 1902—Hawaii, page 2665; Porto Rico, page 2737; Cuba, page 2651—

Mr. HINDS. If it is in a footnote there, I will not ask you further about it.

Mr. PALMER. Yes.

The CHAIRMAN. 1877 to when?

Mr. PALMER. 1877 to 1910-11; with notes indicating when the tariff concessions were made. The reason for beginning with 1877 was on account of the Hawaiian reciprocity treaty.

The CHAIRMAN. That went in in 1873, did it not?

Mr. PALMER. No; 1877.

Mr. HINDS. I will ask you to file that with the committee.

(The above-mentioned table, marked "Palmer No. 4," will be found at the end of this day's hearing.)

The CHAIRMAN. You have not copies of those things, have you?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Of each statement?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Then that is all right. Give them to the stenographer, then, as you get through, and keep the originals so that we can have them if we need them.

Mr. PALMER. Yes; I have copies of them.

Mr. HINDS. Does that complete your statistics as to the production of beet sugar?

Mr. PALMER. Yes, in general.

Mr. HINDS. Have you anything as to the cost of producing beet sugar—that is, any collection of statistics made by governmental agencies, or other agencies—that may be put in to afford a comparison with some testimony we have already had?

Mr. PALMER. The census does not pretend to give cost of production, but it does give figures from which deductions can be made, that show pretty accurately. At least, that has been my experience.

The CHAIRMAN. Just a moment, if Mr. Hinds will pardon me. The trouble with the census figures is this, that they may average it, say for the whole western beet country; but they will not give the identity of the people.

Mr. PALMER. They are averaged for the entire country.

The CHAIRMAN. And you will remember from some of the evidence we have had already that the cost varies from about $2\frac{1}{2}$ cents to over 5 in different parts of the country. In other words, it costs pretty nearly twice as much to produce beet sugar, according to some of the evidence we have had, in one section of the West what it does in another. Is it fair to take such figures, then, as worth anything to the committee?

Mr. PALMER. I should say it was much fairer to take the average than to pick out one factory, particularly well or particularly poorly located, on which to base the conclusion.

The CHAIRMAN. No; but would you say that the discrepancies we have already heard testified to in the cost of production are accounted for by anything else except the natural advantages or disadvantages in the location of the factories?

Mr. PALMER. You spoke of a range that I had not heard. The range as I have heard it of Mr. Morrey, Mr. Cutler, Mr. Warren, and Mr. Oxnard, was from $3\frac{1}{2}$ to 4 something.

The CHAIRMAN. Yes, that is true; but the testimony given by the American Sugar Refining Co., which was taken from the reports made by these companies, is entirely different.

Mr. PALMER. I have not seen that.

Mr. HINDS. I noticed that the figures ran very high for one factory.

The CHAIRMAN. In Iowa.

Mr. HINDS. Yes; but was not that the unsuccessful factory, as to which Mr. Atkins testified that they could not sell the stock very well? That impression was made on my mind.

Mr. RAKER. Just excuse me, Mr. Hinds; you have a question, have you not?

Mr. HINDS. Go ahead, Judge.

Mr. RAKER. Did you ask him whether he had the separate amount for each factory?

The CHAIRMAN. No; he was going to give us the census figures, and I just wanted to know if he could not give us something a little more reliable than those.

Mr. RAKER. I understand that the witness has not the cost of the various factories?

Mr. PALMER. Individual factories; no, sir.

Mr. HINDS. I would ask the witness, while the chairman is looking for that information—I do not know whether he is an expert on that point—whether the cost of production in a factory where a considerable number of men and considerable machinery are employed is not, to a considerable extent, dependent on the genius for organization of the man who is superintending it?

Mr. PALMER. Quite true.

Mr. HINDS. In other words, may not a man in a factory take 10 men and so arrange them, so organize those 10 men, that they will produce at a very low figure; while another man, of less genius for that, might, by changing them around, get out of the same effort a far less favorable result?

Mr. PALMER. That is true; and the larger the factory, within reason, the cheaper they can make sugar.

Mr. HINDS. And also the larger the factory and the larger the number of men employed the larger the range for mistakes or successes in organization; is not that so?

Mr. PALMER. Yes, sir.

Mr. HINDS. I just wished to interject that question, because it had seemed to me that we could not expect, in a nation, a uniform degree of efficiency, and that possibly our affairs ought to be arranged on an average, rather than on the most efficient or the least efficient.

Mr. PALMER. That is what occurred to me.

Mr. RAKER. May I make the suggestion, right in that line, Does it not seem as though the American people ought not to pay for incompetency in running the factories, for poor and inadequate machinery, and poor management in the field?

Mr. HINDS. I am sure that I am of the same opinion as the gentlemen on that, yet I think we must make allowances for the variations of human management; as in an army. I do not suppose that even Napoleon expected every army corps to be as good as that which was led, perhaps, by Gen. Ney; and still, he would have to time his marches, not by Gen. Ney, but by the average of his army. That was the idea I had in mind.

Mr. RAKER. I see.

Mr. HINDS. Taking that table, with the understandings that have arisen from our questions, and for what it may be worth, I think, Mr. Chairman, it might be fair to have it filed.

The CHAIRMAN. I think so; yes, indeed.

Mr. HINDS. Yes; let it be filed.

The CHAIRMAN. That is the census table, with general averages throughout?

Mr. PALMER. Yes; it is the census table, with my deductions following it, working it out.

(The table referred to, marked "Palmer No. 5," will be found at the end of this day's hearing.)

The CHAIRMAN. I think it would be very interesting for the committee, in view of some of the evidence we have already had, and other evidence we have sent for, for you to state your idea of what that shows, orally, not to go into details, but what it costs to make beet sugar, per pound.

Mr. PALMER. Of course, this takes no account of depreciation; nothing of that kind.

The CHAIRMAN. No; the cost of delivering it at the factory door; is that the idea?

Mr. PALMER. Yes.

The CHAIRMAN. Paying for the raw beets, and manufacturing it?

Mr. PALMER. Yes; and the items given are sugar-beets, fuel, all other supplies, officers' salaries, general superintendence, managers, clerks, and so forth, wage earners, and miscellaneous expenses, cost of working the raw sugar. That cost of working the raw sugar, as explained in there, is my own, and I put it at 33 cents.

The CHAIRMAN. You added that?

Mr. PALMER. They had some raw sugar left over, and it should be worked into refined sugar; and, as explained in my note, in here I have put it at 33 cents a hundred for working the raw sugar into refined. It does not amount to anything.

The CHAIRMAN. I do not exactly understand that. If you do not mind, I would like to understand it. Why do you add that 33 points there to their figures?

Mr. PALMER. The census shows, for instance, products in 1899. They made 115,000,000 pounds, in round numbers, of refined, and 47,000,000 of raw. In 1904 they made 496,000,000 of refined, and 11,000,000 of raw; in 1909, 993,000,000 pounds of refined, and 9,000,000 of raw. In order to arrive at any fair conclusion, you have got to reduce that raw sugar to refined sugar and credit it up with the price of refined sugar after it is worked.

The CHAIRMAN. In other words, you are just adding that much more to their figures?

Mr. PALMER. It would add to the value as well.

Mr. MADISON. But by that means you cover the entire product?

Mr. PALMER. I cover the entire product. You can not do it otherwise.

Mr. MADISON. You reduce the whole to terms of refined sugar?

Mr. PALMER. Exactly. If you did not, you would have here 115,000,000 pounds of granulated sugar in 1899 and 47,000,000 pounds of raw; in 1909, 993,000,000 of refined and 9,000,000 of raw. You could not arrive at a fair conclusion without reducing those two things to one.

The CHAIRMAN. Against the 33 points you put one way do you put any credit on the other side?

Mr. PALMER. Oh, yes; I credit the raw sugar at the same price, being disposed of largely at the same price as the refined sugar.

The CHAIRMAN. All right. I think the table will speak for itself.

Mr. PALMER. You wanted to know how that came about?

The CHAIRMAN. Yes; just in a general way.

Mr. PALMER. In 1899 the expense per 100 pounds of beets comes out at \$4.2561.

The CHAIRMAN. That is, a pound?

Mr. PALMER. Per 100 pounds.

The CHAIRMAN. You mean the cost of manufacture?

Mr. PALMER. The cost of manufacture.

The CHAIRMAN. Four—

Mr. PALMER. \$4.2561.

The CHAIRMAN. A little over 4½ cents?

Mr. PALMER. Yes, sir.

Mr. HINDS. That is the average?

Mr. PALMER. That is the average for 1899.

Mr. HINDS. 1899?

Mr. PALMER. 1899.

Mr. HINDS. Years back?

Mr. PALMER. Yes. The average for 1904 is \$3.8577, quite a reduction, about 40 cents a hundred less in 1904 than in 1899. In 1909 it is \$3.6737, a still further reduction.

Mr. HINDS. Does your table explain whether that cost carries with it interest on capital, and depreciation?

Mr. PALMER. No, sir.

Mr. HINDS. It does not?

Mr. PALMER. It does not carry it. I put here at the bottom:

Depreciation.—In the above figures, nothing has been carried in for depreciation of plants. Four per cent depreciation amounts to 50.6 cents per 100 pounds of sugar produced in 1899, 44.2 cents in 1904, and 28.5 cents in 1909, thus making the cost of production \$4.7621 per 100 pounds in 1899, \$4.2997 in 1904, and \$3.9587 in 1909.

Mr. HINDS. So that, from the census figures, beet sugar could be produced for about \$3.95?

Mr. PALMER. Yes, sir.

Mr. HINDS. Without counting interest on capital?

Mr. PALMER. Yes; without counting interest.

Mr. HINDS. Interest on capital?

Mr. PALMER. Yes.

Mr. HINDS. Interest on capital would not, as a matter of fact, increase that greatly, would it; over one-eighth of a cent a pound?

Mr. PALMER. It would be very slight. I put in a footnote here that I think will be interesting:

Beets in 1909 averaged 16.10 per cent sugar and the extraction was 12.56 per cent, or 251.2 pounds sugar per ton of beets, making the sugar in the beets cost \$2.3734 per 100 pounds.

The CHAIRMAN. You have figured beets at about \$7 a ton to do that, have you not?

Mr. PALMER. No, sir; \$6; and \$6 is the average. Taking all the testimony you have had, putting them together and dividing by the number of quotations given, it comes out just \$6.

Mr. HINDS. Considering the benefit of beets to agriculture, would it not actually pay the farmers, for instance, to furnish those beets to factories at less than \$6 a ton?

Mr. PALMER. There is no question about it. But if you have a half a million or a million dollars invested out here and you can not get the beets at less than \$6 a ton, you might better take a big run at \$6 than a little run at \$4.50 or \$5.

Mr. HINDS. Yes; I presume that is so. I was thinking about whether or not there would be any prospect in the future, with a greater appreciation of the beet as a rotating crop, that the cost of beets might come down in this country. How does the cost run in other countries, labor conditions being allowed for?

Mr. PALMER. Here is a consular report of Henry W. Diederich, of April 20, 1899, when Diederich was located at Magdeburg, the center of the German sugar industry.

Diederich is now over at Antwerp. This is a very complete table. I am only sorry that nobody has carried it down for the subsequent years. This carries it from 1877 to 1898-99, and he has reduced the price of beets per ton to United States currency. Of course, you understand this is a metric ton, 2,204 $\frac{1}{4}$ pounds. In 1877-78 they were getting \$5 a ton for beets in Germany, the average.

The CHAIRMAN. Have you reduced it to the American equivalent?

Mr. PALMER. This is the American equivalent, but for metric tons.

The CHAIRMAN. You have not changed the tons?

Mr. PALMER. No, I have not changed any of this. These are his figures, from the consular reports. I will turn it over to you in a moment. It runs \$5 a ton in 1877-78; 1878-79, \$5; 1879-80, \$4.85; 1880-81, \$4.60; 1881-82, \$5.40; 1882-83, \$5.30; 1883-84, \$5.30; 1884-85, \$4; 1885-86, \$3.80; 1886-87, \$4.60; 1887-88, \$4.70; 1888-89, \$4.30; 1889-90, \$4.60; 1890-91, \$4.90; 1891-92, \$4.80; 1892-93, \$4.80; 1893-94, \$5; 1894-95, \$4.80; 1895-96, \$4.10; 1896-97, \$4.10; 1897-98 \$4.

Mr. HINDS. Do you think it has come down below that in later years in Germany?

Mr. PALMER. No, I do not think it is much below that.

Mr. HINDS. Considering the standard of living, the requirements of the farmer's family there, the cost of living, and the variations in wages, you get your beets, perhaps, as advantageously at \$6 a ton as the German factory does at \$4?

Mr. PALMER. No; but they get more sugar out of their beets than we do.

Mr. HINDS. There is a bigger sugar content?

Mr. PALMER. Yes; and those are metric tons; that is a great deal of difference.

Mr. HINDS. So that on the whole you think that the German farmer has come to the understanding that he is willing to sacrifice something on price in consideration of the farm advantages he gets from the beet culture?

(The above-mentioned report, marked "Exhibit No. 6," will be found at the end of the day's hearing.)

Mr. PALMER. I have a table here that I made up from the United States Department of Agriculture Yearbook and the yearbook of the German Government, giving the acreage and total yield, and yield per acre, and the like, of the different crops in both countries in 1884 and in 1909, giving the range for 25 years.

Mr. HINDS. That is, the object of that being to show the advantages that have come from beet culture?

Mr. PALMER. In a way it does. But it shows what the Germans are doing in the way of increasing their yield per acre, and what we are doing in increasing our yield per acre.

Mr. HINDS. You think that should go in, do you not, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. HINDS. Then I suggest you file your census table, and in connection with it also that table, as a part of the record.

The CHAIRMAN. Let me ask you one question about this table. The metric ton is 2,204 pounds?

Mr. PALMER. Yes.

The CHAIRMAN. And I see here that, per ton, in the last year given, the farmer got \$4 for his beets?

Mr. PALMER. Yes.

The CHAIRMAN. Per metric ton?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Reduced to our equivalent, that would be about 10 per cent off of that, nearly that, would it not?

Mr. PALMER. Yes.

The CHAIRMAN. So that it would be something like \$3.60 he got, would it not?

Mr. PALMER. Yes. It will be more than 10 off, I should think.

The CHAIRMAN. No; 204 off of 2,000; it would not be quite 10.

Mr. PALMER. You have 220 pounds?

The CHAIRMAN. Two hundred and four pounds.

Mr. PALMER. Two thousand two hundred and four pounds.

The CHAIRMAN. You figured it up on the long-ton basis?

Mr. PALMER. No; on the short ton—oh, yes, 204; you are right.

The CHAIRMAN. So that for 2,204 pounds the German, during the year mentioned, to wit, 1897-98, that campaign, got \$4, but he only got really about \$3.60?

Mr. PALMER. Yes, sir.

(The above-mentioned tables, marked "Palmer No. 7," will be found at the end of this day's hearing.)

Mr. HINDS. Now, Mr. Palmer, does that complete your statistics as to production and cost of production?

Mr. PALMER. No; it does not, and if you will pardon me, there is just one sentence or two I would like to put in here. It shows a most remarkable thing.

The CHAIRMAN. That is a comparison between Germany and the United States you refer to now?

Mr. PALMER. Yes. Although this is not the comparison. This is showing what Germany has done in the way of increasing her yield. In wheat in 25 years Germany increased her yield per acre 58.8 per cent. During that time the price of wheat increased 53.5 per cent. But Germany reduced her acreage of wheat, notwithstanding that 4.5 per cent. On rye she increased her yield 85.1 per cent; the price of rye increased 42.4 per cent, and she increased her acreage but 5.1 per cent. Of barley she increased her yield 64.8 per cent; the price of barley increased 13.3 per cent; she reduced her acreage of barley 5.4 per cent. Of oats she increased her yield 77.4 per cent; the price of oats increased 46.2 per cent; she increased her oat acreage 14.2 per cent. Of those four cereals the average increase in yield in Germany was 78.5 per cent; the increase in price per bushel was 39.2 per cent; and Germany's increase in acreage of those was 5 per cent.

Of potatoes she increased her yield 65.6 per cent per acre; the price of potatoes advanced 38.6 per cent; and she increased her area 14.3 per cent, making of those five crops an increase in yield of 88.6 per cent, an increase in the price per bushel, average, of 45.4 per cent, and an increase in area of 6.7 per cent. Now we come to sugar beets. Her sugar-beet yield per acre increased but 7.1 per cent, as against 88.6 of all these other crops that she has not increased any in her area. The price of sugar on the Magdeburg Exchange during that time, instead of going up 45.4 per cent, as these other crops have, dropped 53.3 per cent; and yet she increased her sugar-beet area 60.4 per cent. Why did she do it?

The CHAIRMAN. That is what we would like to hear you explanation about; why do you think she did it?

Mr. PALMER. On account of the indirect advantages, nothing else.

The CHAIRMAN. Indirect agricultural benefit to the land?

Mr. PALMER. Yes, sir.

Mr. RAKER. In other words, the increase in bushels and pounds per acre, and the increase in the prices of these four cereals, were occasioned by virtue of the beet sugar industry?

Mr. PALMER. Not the prices.

Mr. RAKER. I was just asking if that was your deduction?

Mr. PALMER. Oh, no. I have no way of deriving the farm price in Germany; and as explained in here, I have taken from the United States Department of Agriculture Yearbook the farm price in our country on December 31, as given by them each year.

The CHAIRMAN. That is Table No. 6.

Mr. HINDS. In other words, Germany is willing to over-produce a little in sugar for indirect advantages?

Mr. PALMER. Yes, sir. They told me in Germany that if, instead of giving 20 off to Cuba, and allowing Cuba to supply us with a million and a half tons of sugar, and we not seeing the color of much of our money after we had bought it, they take the money and spend it in other countries—if we had given them 20 off, if we would make for Germany a market for another million and a half tons of export sugar, they would give us anything within reason off of their tariff in other things.

The CHAIRMAN. In other words, you think we could have made a better trade with Germany than we did in Cuba?

Mr. PALMER. Very much.

The CHAIRMAN. There was a little sentiment mixed up in the Cuban proposition.

Mr. PALMER. Very much. I thought this illustrated the situation, as one gentleman put it: If you could raise—which of course you could not—cane and beet sugar on the same soil and in the same climate, and you could produce the cane sugar for 2 cents a pound and it cost 4 cents to produce the beet sugar, it would be cheaper for the nation to produce the sugar from sugar beets.

The CHAIRMAN. Rather than from sugar cane?

Mr. PALMER. Rather than from sugar cane, on account of the great indirect advantages.

The CHAIRMAN. Do you know anything about the indirect advantages of growing sugar cane?

Mr. PALMER. Cane, as a rule—it is not entirely so in Louisiana, but as a rule—is an agricultural Juggernaut. It crushes out everything else.

Mr. HINDS. Sometimes they rotate with revolutions, do they not?

Mr. PALMER. Yes, pretty frequently.

Mr. RAKER. Right in that same line, from the figures you give there from Germany in regard to the increase of acreage for these products, it would almost pay the American farmer to raise sugar beets just to feed to his cattle and hogs and chickens?

The CHAIRMAN. And to fertilize and improve the land?

Mr. RAKER. And to fertilize the rest of the soil, irrespective of the sugar product, would it not?

Mr. PALMER. I have not a doubt that you can figure it right out, and find that to be true, taking our method of agriculture.

The CHAIRMAN. They can afford to sell it cheaper and give us a little cheaper sugar, can they not?

Mr. PALMER. I think that pamphlet which I gave you, that letter to Senator Smoot, will do a great deal of good with our farmers. You are perfectly right, Judge Raker, in stating that there are farmers who say, "Why, sugar beets hurt the soil." They do, because they grow sugar beets year after year.

Mr. RAKER. Mr. Palmer, I wanted you to demonstrate from your testimony that what could be raised from the soil depends on the plowing and the farming; that is, practically every product of this country. It has been that we have been plowing from 3 to 4 inches of our soil, and we get nothing from it. But when we plow as we ought to, and attend to our crops, cultivate them, we will get good results, if we rotate?

Mr. PALMER. Certainly we will. You will not get results without some root crop.

Mr. RAKER. Just in this same connection, I have just been observing around the country, in California and the large places, taking that statement, now, to be a fact, that it would pay the American people and the farmers to raise beets solely, sugar beets, for their home use and for stock purposes—their hogs, sheep, cattle, and chickens—if they never manufactured one pound of it into sugar?

Mr. PALMER. I have heard Secretary Wilson make that same statement and he is pretty good authority.

Mr. RAKER. I hope he will not throw out Dr. Wiley, because he seems to be doing a good deal of good on the health question. Otherwise I agree with him.

Mr. PALMER. The point is, where you have a great number of people to deal with, as you have with our farmers, one of the great points of sugar-beet culture is that if he does not farm right he loses money; he has to farm right.

Mr. RAKER. That is true.

Mr. PALMER. But think of it. To think, here we have the finest agricultural soil in the world. The European soils, as a whole, do not compare with our soils, and they have been farmed for all time, while ours are virgin soils; and we have the best agricultural climate in the world, and we have the most intelligent lot of farmers.

Mr. RAKER. There I want to agree with you, about us having the most intelligent farmers on earth.

Mr. PALMER. And we have the most scientific Department of Agriculture. There is no Department of Agriculture in the world that has such scientists as ours has, or such a number. They have over 2,000 scientists. And yet, with all that, to think that we are only producing about half of all these great crops, number of bushels per

acre, as they are on these rejuvenated worn-out soils of Europe. It is awful.

Mr. HINDS. It just comes to my mind that that may be due to the fact that our country lies on level plains, easily cultivatable by machinery and horses, and that so far there has been an irresistible temptation for our farmers to scratch over great areas at little expense, and take a profit from the richness of the soil for a series of years, without much thought as to putting anything back.

Mr. PALMER. It is summed right up in one thing, it is extensive agriculture as compared with intensive agriculture.

Mr. RAKER. Mr. Palmer, before you make that definite, let me just switch this answer in. Is not one of the conditions in the West that, no difference what the farmer might produce, he can not sell his product and get it on the market because of the excessive freight rates, and has not that been the condition with the western farmer?

Mr. PALMER. He has had pretty high freight rates.

Mr. RAKER. I did not want to interrupt.

Mr. HINDS. In other words, if the western farmer could have what the eastern farmer has, local industrial markets, he might abandon that extensive farming for intensive, do you think?

Mr. PALMER. The eastern farmer has a market right at his door for every surplus pound of every product he produces. The western farmer, out in the mountain country, can not ship it out. He can not get it away from his local territory.

Mr. HINDS. And he probably could not have the same sort of an industrial local market that the eastern farmer has in that country?

Mr. PALMER. Not so extensive, on account of the population. While we have more intelligent farmers than Europe, the question naturally would arise, Why do they not do these things? The average American is pretty independent, especially if he is on a farm. In Europe, for instance in Germany, they have 11,000 agricultural associations, and they will not let a farmer go wrong. They virtually take him by the scruff of the neck. He has to farm right. It would be a national calamity to have a crop failure. I talked with the owner of a farm up there in Pomerania, Mrs.—I can not think of her name; she is a niece of Mark Twain. She has a 2,000-acre estate. She says: "I can not go wrong on any crop or any stock to exceed 30 days. I belong to an agricultural association here. I pay my dues, and they have inspectors. The present inspector is a man who owns 6,000 acres of land. He does not have to be an inspector; but he is up here every 30 days to look my place over—to look over my crops. He looks over my potatoes and says: 'Your potatoes are not doing well. What did you have in there last year?' 'So-and-so.' 'How did you prepare the land?' 'So-and-so.' 'What fertilizer did you use?' 'So-and-so.' 'They do not look right. You had better treat that with such and such a thing.'" Or, he examines into her dairy, and goes down the list of cows and says, "Cow No. 38 is not showing up right. That milk is not very rich. What are you feeding her?" "So-and-so." "Change that and give her so-and-so." Next month he looks her over again, and it does not look rich, and he changes it again. And when he comes a third time, if Mrs. Cow has not done her duty, he says: "Take her out and fatten her up. You can not make any money out of that cow for milk."

That is the way they are doing. With all our printed matter of our Department of Agriculture, we do not get right down to the farmer as

closely as they do. We are beginning to do some of it. Our railroads are doing a great deal. Here is the Norfolk & Western, and the New York Central, and one or two of the roads of New England.

Mr. MADISON. And you may include some of the roads in the West.

Mr. PALMER. Yes. They are doing a wonderful work. They are getting right next to the farmer.

Mr. MADISON. And do not forget, in that connection, the agricultural colleges of the West. The agricultural college of Kansas is sending its educational trains all over the State to teach the farmers right along the lines you have suggested.

Mr. PALMER. Exactly.

The CHAIRMAN. That, I suppose, is nation wide. It has been done in Georgia, and all through the South.

Mr. MADISON. Now, Mr. Palmer, the discussion has been very interesting to me. But I have always had this idea, that the reason why we have had extensive rather than intensive farming has been because we have had such an extensive country, such a new country, so many new communities to settle up and develop; and that the very conditions that surrounded the farmer were a temptation to extensive rather than intensive farming; and will not the intensive farming come naturally with the settling up of these communities, the reduction of the virgin oil, and the great increases in population? Will not those things come as we approach nearer to the Old World conditions? As a matter of fact, have we not been following along natural lines in the country, and things we are invited and tempted to do by the very conditions that surrounded us, and are we not changing to the other condition now because it is natural that we should do it, because the conditions are changing?

Mr. PALMER. In a great measure that is true, Judge. But it is a fact that there are abandoned farms in the East that will produce more crops than the land that the same men have gone onto in the West.

Mr. MADISON. You get right back to the proposition I have just stated, which Mr. Hinds very nicely illustrated in his speech, there was the invitation to go to the Great Plains of the West, where there was not a stump or a tree or a thing to impede agricultural development, and where a man could go and get 160 or 320 acres, or a section, of land very easily.

Mr. PALMER. Yes.

(Thereupon, at 12.05 o'clock p. m., the committee took a recess until 1.30 o'clock p. m.)

SURROGATE'S COURT, COUNTY OF NEW YORK.

In the Matter of the Appraisal, under the Transfer Tax Law, of the Estate of Henry O. Havemeyer, Deceased.

To the Surrogate's Court of the County of New York:

I, Headley M. Greene, who was by an order of Hon. John P. Cohalan, one of the surrogates of the county of New York, made and entered on the 7th of January, 1910, certified copy of which order is hereunto annexed, directed to act as appraiser, pursuant to chapter 908 of the laws of 1896, and the acts amendatory thereof and supplemental thereto, do respectfully report:

First. Having filed my oath of office, pursuant to chapter 173 of the laws of 1901, in the office of the State comptroller, I gave notice by mail, postage prepaid, to all

persons known to have or claiming an interest in property of said deceased, to wit, to the following persons and corporations, named in the petition presented on the application for said order. The time and place were duly set forth in said notice at which I would appraise such property of the above-named decedent as might be subject to the payment of the transfer tax; a true copy of said notice is hereto attached:

Edward H. Fallows; Parsons, Closson & McIlvaine; Louisine W. Havemeyer, Electra Havemeyer, Horace Havemeyer, Adeline H. Frelinghuysen.

Second. I further report that at the time and place in said notice stated, to wit, on the 9th day of April, 1909, at 3 o'clock in the afternoon, at room 800, American Exchange Bank Building, No. 128 Broadway, Borough of Manhattan, New York City, and at divers times and places subsequent to said hearing on the 9th day of April, 1909, I appraised the estate of Henry O. Havemeyer, deceased, subject to tax in this proceeding, at its fair market value on the 4th day of December, 1907, the date of his death, as follows:

Real estate:

St. Paul Building, Broadway and Ann Street, Borough of Manhattan, N. Y.....	\$2, 000, 000. 00
Metropolitan Building, Nos. 568-570 Broadway, Borough of Manhattan, N. Y.....	2, 100, 000. 00
Bradbury Building, Fifth Avenue and Nineteenth Street, Borough of Manhattan, N. Y.....	875, 000. 00
Nos. 128-130 East Sixty-sixth Street, Borough of Manhattan, N. Y.....	93, 750. 00
No. 126 Front Street, Borough of Manhattan, N. Y.....	26, 250. 00
No. 850 Fifth Avenue (1 East Sixty-sixth Street), Borough of Manhattan, N. Y.....	937, 500. 00
Commack, Long Island, 540 acres.....	60, 000. 00
Bayberry Point, Islip, Long Island, 157 acres.....	324, 000. 00
Quogue, Long Island, 5,148 feet frontage.....	10, 000. 00
Carabus Island, Great South Bay, Long Island.....	1, 500. 00

Total real estate.....	6, 428, 000. 00
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Subject to the following deductions:

Bond and mortgage on Metropolitan Building.....	\$750, 000. 00
Interest thereon.....	11, 531. 25
Bond and mortgage on Bradbury Building.....	350, 000. 00
Interest thereon.....	6, 757. 60
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	1, 118, 288. 85

Equity.....	5, 309, 711. 15
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Personal estate:

Cash on deposit with American Sugar Refining Co.....	70, 000. 00
Cash on deposit with Havemeyer & Elder.....	15, 267. 84
Cash on deposit in National City Bank.....	4, 894. 25
Cash on deposit in Colonial Branch Trust Co. of America.....	937. 97
Cash on deposit in Trust Co. of America.....	270. 80
Cash on deposit in First National Bank of Islip, Long Island.....	258. 60
Balance with C. I. Hudson & Co.....	185. 00
Cash on deposit with Fidelity Bank.....	1, 321. 65
Cash on deposit with Williamsburgh Trust Co.....	290. 06

Loans:

Theodore A. Havemeyer.....	25, 000. 00
Interest thereon.....	116. 67
Horace Havemeyer.....	185, 000. 00
Trinidad Sugar Manufacturing Co.....	50, 000. 00
Interest thereon.....	612. 50
Injeino Lugareno Centrale.....	87, 500. 00
Interest thereon.....	2, 727. 08
Pablo Larrondo, first mortgage.....	55, 000. 00
Interest thereon.....	1, 732. 50
W. H. Flitner.....	10, 000. 00
Interest thereon.....	243. 05
Interest in Havemeyer & Elder.....	2, 268, 898. 35
Interest in estate of F. C. Havemeyer.....	33, 650. 25
Due as commission as executor of estate of F. C. Havemeyer.....	8, 674. 54
Interest in estate of T. J. Havemeyer.....	83, 062. 31

Bonds:

25 Union Pacific R. R. Co. \$1,000 4 per cents, at 85½.....	\$21,375.00
57 United States Realty & Improvement Co. \$1,000, at 69.....	39,330.00
25 Flanders Land & Improvement Co. \$100, at 100.....	2,500.00
50 Penataquit-Corinthian Yacht Club \$100, at 100.....	5,000.00
100 Cuba Co. \$1,000, at 60.....	60,000.00
Trinidad Sugar Manufacturing Co. debenture bonds, \$124,784.28, at 100.....	124,784.28

Partially paid stock subscriptions:

192 shares of Great Northern Ry. Co., 75 per cent paid in, at 111, equal 86.....	16,351.20
3,000 shares of Northern Pacific Ry. Co., 37½ per cent paid in, at 103, equal 40½.....	121,500.00
1,500 shares of Chicago, Milwaukee & St. Paul R. R. Co., preferred, 45 per cent paid in, at 120, equal 65.....	97,500.00
750 shares of common stock Chicago, Milwaukee & St. Paul R. R. Co., 45 per cent paid in, at 90, equal 35.....	26,250.00
Long Island Motor Parkway, 150 shares of preferred stock and \$7,500 bonds, 50 per cent paid in.....	7,500.00

Stocks:

The Agricultural Investment Co., interest in stock and assets	3,000,000.00
17,515 shares of common stock and 13,793 shares of preferred stock, Great Western Sugar Co.....	1,607,595.00
1,380 shares of stock, American Hawaiian Steamship Co., at 125..	172,500.00
5 shares National Bank of Islip, Long Island, at 100.....	500.00
23,174 shares of preferred stock, Utah-Idaho Sugar Co., at \$7.....	162,218.00
1,000 shares Bank of Havana, at 85.....	85,000.00
32 shares of stock Trust Co. of America, at 200	6,400.00
50 shares Burlington Safe Deposit Co., at 10.....	500.00
100 shares Amalgamated Copper Co., at 47½.....	4,787.50
300 shares American Smelting & Refining Co., at 76.....	22,800.00
480 shares Great Northern Ore certificates, at 44.....	21,120.00
480 shares Great Northern Railway Co., at 116.....	55,680.00
600 shares of common stock, Union Pacific R. R. Co., at 115.....	69,000.00
400 shares of preferred stock, Union Pacific R. R. Co., at 79.....	31,600.00
5,000 shares Kansas City Southern R. R. Co., preferred, at 51.....	255,000.00
2,096 shares United States Realty & Improvement Co., at 42.....	88,032.00
1,500 shares Guantanamo Sugar Co., at 65.....	97,500.00
7,862 shares of preferred stock, Cuban-American Sugar Co., at 68½..	538,597.00
8,507 shares of common stock, Cuban-American Co., at 18½.....	157,379.50
3,125 shares Cape Cruz Co., at \$80	250,000.00
1,300 shares of preferred stock, Virginia-Carolina Chemical Co., at 84.....	109,200.00
1,000 shares of common stock, Virginia-Carolina Chemical Co., at 16.....	16,000.00
6 shares Fidelity Bank, at 160	960.00
103 shares General Asphalt Co., at 3	309.00
30 shares National Park Bank, at 370	11,100.00
1 share Plaza Bank	570.00
30 shares Lawyers Title Insurance & Trust Co., at 170	5,100.00
52 shares Empire Trust Co., at 325	17,900.00
175 shares of preferred stock, Corn Products Co., at 52.....	9,100.00
100 shares of common stock, Corn Products Co., at 11.....	1,100.00
20 shares of stock, Greenwich Water Co., at 25.....	500.00
821.60 shares of preferred stock, American Sugar Refining Co., at 109.....	89,554.40
136.80 shares of common stock, American Sugar Refining Co., at 106.....	14,500.80
468 shares Jersey City, Hoboken & Paterson St. R. R. Co., at 25..	11,700.00
50 shares of stock, Hudson Trust Co. of New Jersey, at 555.....	27,750.00
90 shares of common stock, Hartford Carpet Corporation, at 22...	1,980.00
300 shares of preferred stock, Hartford Carpet Corporation, at 100.	30,000.00
1 subscription United States Lloyd	4,000.00
152 shares of stock, Palmer Waterfront Co.....	152,687.50
100 shares of stock, Enameled Brick & Tile Co., at 50.....	5,000.00
625 shares of stock, Alliance Realty Co., at 90.....	56,250.00

Stocks—Continued.

1,214 shares of preferred stock, United Railway Co. of St. Louis, at 60.....	\$72,840. 00
1 share of stock, Colonial Safe Deposit Co.....	125. 00
1 certificate Lawyers Title Insurance & Trust Co., \$900	648. 92
<i>Miscellaneous stocks and bonds:</i>	
17,000 shares of common stock, National Sugar Refining Co., at 35.	595,000. 00
100 shares Realty Finance Co. common stock, in liquidation, no value.	
400 shares of preferred stock, Realty Finance Co., in liquidation, 40; paid off at 60.....	24,000. 00
3,600 shares Continental Sugar Co., at 50	180,000. 00
1,822 shares of common stock, Trinidad Sugar Manufacturing Co., no value.	
4,556 shares of preferred stock, Trinidad Sugar Manufacturing Co., at 40.....	182,240. 00
1,500 shares of stock, Tonamo Bay Co., at \$35.....	52,500. 00
1,000 shares of preferred stock, Mexican Land Co., at 75.....	75,000. 00
1,000 shares of common stock, Mexican Land Co., no value.	
500 shares Compania Metalurgica (sic) Mexicana stock preferred, at \$75.....	37,500. 00
750 shares common stock, Compania Metalurgica (sic) Mexicana, no value.	
800 shares stock, St. Paul Mining Co., no value.	
1,000 shares of preferred stock, Lanyon Zinc Co., no value.	
100 shares of common stock, Lanyon Zinc Co., no value.	
100 bonds Lanyon Zinc Co., at 100, no value.	
50 shares of stock, American Grocery Co., no value.	
Chamber of Commerce fund certificate.....	1,000. 00
4 shares Middlesex Corporation, at \$500.....	2,000. 00
1 share Bay Shore Horse Show.....	100. 00
1 share Short Beach Club.....	100. 00
1 share Flanders Club.....	100. 00
Personal effects.....	39,800. 00
Deposit in Credit Lyonnaise 2,208.75 francs.....	426. 28

Gross personal estate.....	11,882,584. 80
Real estate.....	5,309,711. 15

Gross estate, real and personal.....	17,192,295. 95
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Deductions:

Debt.....	\$101,224. 98	
Administration expenses.....	25,000. 00	
Commissions of executors.....	512,578. 17	
Commissions of trustees.....	495,967. 98	
		<u>1,134,771. 13</u>

Net estate.....	16,057,524. 82
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Third. I further report that Henry O. Havemeyer died on the 4th day of December, 1907, a resident of the Borough of Manhattan, city, county, and State of New York, leaving a last will and testament, a copy of which is hereto annexed, which was duly admitted to probate by the surrogate's court of the county of New York on the 16th day of January, 1908, and on the 16th day of January, 1908, letters testamentary were issued to his widow, Louisine W. Havemeyer, of 1 East Sixty-sixth Street, Borough of Manhattan, New York City, his daughter, Adeline H. Frelinghuysen, of Morristown, N. J., and his son, Horace Havemeyer, of Greenwich, Conn., as executrices and executor, respectively.

By the terms of said will the above estate is disposed of as follows:

Louisine W. Havemeyer, widow:

Specific bequest.....	\$40,226. 28
Life estate in real estate of the value of \$1,031,250, the present value of which is.....	534,712. 00
Annuity for life of \$65,314.00, the present value of which is.....	677,319. 00
	<u>1,252,257. 28</u>

Remainder after above life estate of Louisine W. Havemeyer,
\$472,893; residuary estate, \$14,781,622.54.

Horace Havemeyer:

One-half of one-third of above residuary estate absolutely.	\$2, 463, 603. 75
Life estate in one-half of one-third of above residuary estate, \$2,463,603.75, until he arrives at the age of 35, the same being proportioned on the certificate of the superintendent of insurance hereto annexed.	1, 155, 207. 00

3, 618, 810. 75

The remainder is suspended by reason of a power of appointment over it.

Electra Havemeyer, daughter:

Life estate in one-third residuary estate, \$4,927,207.51, the present value of which, as shown by the annexed certificate of the State superintendent of insurance, is.	3, 947, 610. 00
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Remainder is suspended by reason of a power of appointment over it.

Adaline H. Frelinghuysen, daughter:

Life estate in one-third residuary estate, \$4,927,207.51, the present value of which, as shown by the annexed certificate of the State superintendent of insurance, is.	3, 867, 609. 00
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Remainder is suspended by reason of a power of appointment over it.

Fourth. I further report that all persons interested in this estate are of sound mind, and all are of full age except Electra Havemeyer, who is a minor over the age of 14 years.

Fifth. I further report that the following appearances were made before me in this proceeding: Edward H. Fallows, Esq., attorney for State comptroller; Parsons, Closson & McIlvaine, Esqs., attorneys for executors.

Sixth. I further report that I appraised the estate of Henry O. Havemeyer, deceased, subject to tax in this proceeding, at its fair market value on the 5th day of December, 1907, the date of his death, as follows:

Louisine W. Havemeyer, widow.	\$1, 252, 257. 28
Horace Havemeyer, son.	3, 618, 810. 75
Electra Havemeyer, daughter.	3, 947, 610. 00
Adaline H. Frelinghuysen, daughter.	3, 876, 609. 00

Respectfully submitted.

HEADLEY M. GREENE, *Appraiser.*

NEW YORK, *December 30, 1910.*

THE AMERICAN SUGAR REFINING CO. OF NEW YORK,
July 27, 1911.

Chairman THOMAS W. HARDWICK,
Sugar Investigating Committee, House Committee Building,
Washington, D. C.

DEAR SIR: I desire to make the following corrections to my testimony: The rate on sugar from Brooklyn to Philadelphia in carloads is 5 cents per hundredweight and not 8½ cents per hundredweight, as admitted by me. The rate to Baltimore and Washington is 8½ cents per hundredweight. The same rates apply from Jersey City, N. J.

The rate on sugar from New York to Missouri River is 38 cents per hundredweight, not 42 cents per hundredweight, as stated by me.

I stated no payments were made to the American Sugar Refining Co. for lighterage. This is not exactly correct. The Old Dominion Steamship Co., Central Vermont Steamship Co., and Maine Steamship Co. pay shippers allowance of 4½ cents per hundredweight on sugars delivered at their piers for western territory. This is fully covered in their tariffs and is paid to all shippers alike. (I inclose copy of the tariffs marked for your information.)

The rate on sugar from New York to San Francisco in hundred-ton lots has been as low as 45 cents per hundredweight, uninsured, via the Panama route. We have, however, not sent any via this route as yet; but if the rate is again put in effect we will certainly do so. We are advised that the rate on sugar in any quantity from San Francisco to New York and Philadelphia is 40 cents per hundredweight, uninsured, and 45 cents per hundredweight to New Orleans via Panama route. The insurance costs 4 cents to 5 cents more.

The overland rate from New York to San Francisco combines on St. Louis, and on verifying from the tariffs I find it to be \$1.08 per hundredweight from New York to San Francisco. Whatever sugar we ship has gone via Tehuantepec by reason of the high overland rates.

Mr. Crawford has asked me as to sugar shipped from Brooklyn via Pennsylvania Railroad at No. 4th St. and via B. E. D. terminal in connection with Pennsylvania Railroad. I find during the year 1910 that we shipped 1,681 cars via Pennsylvania Railroad (No. 4th St.); 870 cars via Pennsylvania Railroad (B. E. D. terminal).

The reason for dividing this business between the two terminals is that we have found occasionally that the Pennsylvania Railroad have not been able to supply equipment, and therefore consider it best policy to keep both avenues open.

Yours, truly,

R. M. PARKER.

[Only one supplement to this tariff will be in effect at any time. C. R. C. No. 135, canceling C. R. C. No. 122. D. T. Lawrence, Agent's I. C. C. No. 54, canceling D. T. Lawrence, Agent's I. C. C. No. 36.]

GRAND TRUNK RAILWAY SYSTEM.

NATIONAL DESPATCH-GREAT EASTERN LINE, OPERATING IN CONNECTION WITH CENTRAL VERMONT RAILWAY CO., MAINE STEAMSHIP CO., AND PARTICIPATING CARRIERS AS SHOWN HEREIN. NEW YORK TERMINAL TARIFF, NO. D-5.

(Containing rules governing lighterage and transfer in New York Harbor; also conditions governing import traffic via New York.)

8. On shipments of sugar from refineries in New York, Brooklyn, Long Island City, Yonkers, N. Y., Jersey City and Edgewater, N. J., lighterage of 4½ cents per 100 pounds, carloads, will be allowed.

[Supplement No. 2 (cancels Supplement No. 1. Supplement No. 2 contains all changes from the original tariff that are effective on the date hereof) to Tariff No. A-479. Supplement No. 2 (cancels Supplement No. 1. Supplement No. 2 contains all changes from the original tariff that are effective on the date hereof) to I. C. C. No. 645.]

OLD DOMINION STEAMSHIP CO.

TERMS AND CONDITIONS UNDER WHICH THIS COMPANY WILL PERFORM LIGHTERAGE AND DRAYAGE AND UNDER WHICH IT WILL PAY ALLOWANCES ON INBOUND AND OUTBOUND FREIGHT WITHIN LIGHTERAGE LIMITS OF NEW YORK HARBOR (AS SPECIFIED ON P. 3, RULE 3, OF TARIFF, I. C. C. NO. 645), INCLUDING THE ALLOWANCES PAID ON SUGAR FROM YONKERS, N. Y., TO PIER 25, NORTH RIVER, NEW YORK.

(Issued June 19, 1911. Effective July 20, 1911 (except as noted in individual items). By Lewis Walke, general freight agent. Approved by W. L. Woodrow, traffic manager. Exchange list: See authority file. Authority file No. 292. Corres. file No. 145. Tariff file No. 1.)

Substitute the following in lieu of list of stations of the Old Dominion Steamship Co. shown on page ii of tariff I. C. C. No. 645.

§ STATIONS OF OLD DOMINION STEAMSHIP CO. AT WHICH FREIGHT WILL BE RECEIVED AND DELIVERED IN GREATER NEW YORK.

Through rates of the Old Dominion Steamship Co. to and from New York, N. Y., published in tariffs lawfully on file with the Interstate Commerce Commission will apply (except where provision to the contrary is made in aforesaid tariffs, and except on articles specified in rules 6 (a) and 6 (b) on pages 3 and 4, on which through rates apply only to or from Piers 25 and 26, North River, New York, N. Y.) to and from the following stations, viz.:

New York, N. Y.: Piers 25 and 26, North River.

Brooklyn, N. Y.: Brooklyn Eastern District Terminal, foot of North Seventh Street, Williamsburg. Bush Docks and Independent Stores, foot of Fortieth, Forty-first, Forty-second, and Forty-third Streets. Jay Street Terminal, foot of Jay Street.

New York Dock Co.: Fulton Terminal, water front between Fulton Street and Atlantic Avenue; Baltic Terminal, foot of Baltic street; Atlantic Terminal, water front from Wolcott Street, north. Pier foot of Hamilton Avenue.

Jersey City, N. J.: Brooklyn Eastern District Terminal, foot of Warren Street.

Tompkinsville, S. I.: American Dock Stores.

§ Item 1 A (cancels rule 7, p. 4, of I. C. C. No. 645; also item 1).

POINTS OF RECEIPT AND DELIVERY OF ARTICLES NOT ENTITLED TO FREE LIGHTERAGE.

Articles not accepted lighterage free.

7. Through rates of the Old Dominion Steamship Co. to and from New York, N. Y., published in tariffs lawfully on file with the Interstate Commerce Commission will apply (except where provision to the contrary is made in aforesaid tariffs, and except on articles specified in rules 6 (a) and 6 (b) on pages 3 and 4, on which through rates apply only to or from Piers 25 and 26, North River, New York, N. Y.), to and from the the following stations, viz.:

Points where freight not entitled to free lighterage will be received or delivered.

New York, N. Y.: Piers 25 and 26, North River.

Brooklyn, N. Y.: Brooklyn Eastern District Terminal, foot of North Seventh Street, Williamsburg. Bush Docks and Independent Stores, foot of Fortieth, Forty-first, Forty-second, and Forty-third Streets. Jay Street Terminal, foot of Jay Street.

New York Dock Co.: Fulton Terminal, water front between Fulton Street and Atlantic Avenue; Baltic Terminal, foot of Baltic Street; Atlantic Terminal, water front from Wolcott Street, north. Pier foot of Hamilton Avenue.

Jersey City, N. J.: Brooklyn Eastern District Terminal, foot of Warren Street.

Tompkinsville, S. I.: American Dock Stores.

§ Reissue: Effective November 15, 1910, in Supplement No. 1.

RULES GOVERNING ALLOWANCE FOR LIGHTERAGE ON ALL DOMESTIC FREIGHT (EXCEPT SUGAR) IN CARLOADS, FOR DELIVERY TO PIER 25, NORTH RIVER, NEW YORK, N. Y., WHEN CONSIGNED TO CENTRAL FREIGHT ASSOCIATION TERRITORY AND POINTS IN IOWA, WISCONSIN, MINNESOTA, ETC., DESCRIBED IN RULES 3 AND 4.

Rule 1.—On all shipments of domestic freight (except sugar, for which see page 13 of tariff), in carloads of minimum weight as prescribed in official classification No. 37 (F. S. Holbrook, agent I. C. C.—O. C. No. 37, supplements thereto and reissues thereof), an allowance of 3 cents per hundred pounds will be paid for the delivery thereof by lighter to the Old Dominion Steamship Co. at Pier 25, North River, New York, N. Y., when originating at points defined in rule 2 and consigned to territory and points defined in rules 3 and 4.

Points of origin.

Rule 2.—Points within lighterage limits of New York Harbor (as defined on p. 3, rule 3 of tariff).

Territory of destination.

Rule 3.—Section A: Alton, Ill.; Cairo, Ill.; Chicago, Ill.; East Burlington, Ill.; East Clinton, Ill.; East Dubuque, Ill.; East Fort Madison, Ill.; East Hannibal, Ill.; East Keokuk, Ill.; East Louisiana, Ill.; East St. Louis, Ill.; Hamilton, Ill.; Keithsburg, Ill.; Quincy, Ill.; Rock Island, Ill.; Savanna, Ill.; Thebes, Ill.; on traffic consigned to territory shown in Section D. Section B: Ashland, Ky.; Georgetown, Ky.; Henderson, Ky.; Kenova, W. Va.; Lexington, Ky.; Louisville, Ky.; Memphis, Tenn.; Nashville, Tenn.; New Orleans, La.; Owensboro, Ky.; Paducah, Ky.; Paris, Ky.; St. Louis, Mo.; Vicksburg, Miss.; Walton, Ky.; Winchester, Ky. Section C: All points in Illinois, Indiana, Ohio. Section D: All points in Iowa (except Council Bluffs and Sioux City), Michigan, Minnesota, Montana, North Dakota, South Dakota, Wisconsin.

Rule 4.—The foregoing will apply to points of destination hereinbefore named in connection with the rates to such points shown in the following tariffs, supplements thereto, and reissues thereof, viz:

Name of line or tariff.	Issued by—	I. C. C. No.
Central Freight Association (classes and commodities).....	W. J. Sedgman, agent.....	50
Central Freight Association (coffee).....	do	52
Southern points tariff	John A. Ryan, agent.....	23

[Supplement No. 2 (supplements Nos. 1 and 2 are in effect and contain all changes) to Tariff No. A-439. Supplement No. 1 to Tariff No. A-479. Supplement No. 2 (supplements Nos. 1 and 2 are in effect and contain all changes) to I. C. C. No. 621. Supplement No. 1 to I. C. C. No. 645.]

OLD DOMINION STEAMSHIP CO.

TERMS AND CONDITIONS UNDER WHICH THIS COMPANY WILL PERFORM LIGHTERAGE AND DRAYAGE AND UNDER WHICH IT WILL PAY ALLOWANCES ON INBOUND AND OUTBOUND FREIGHT WITHIN LIGHTERAGE LIMITS OF NEW YORK HARBOR.

As specified on page 3, rule 3 of tariff, I. C. C. Nos. 621 and 645, including the allowances paid on sugar from Yonkers, N. Y., to Pier 25, North River, New York. Issued November 11, 1910. Effective November 15, 1910. Issued under special permission of the Interstate Commerce Commission, No. 15509, of November 10, 1910. By Lewis Walke, general freight agent. Approved by W. L. Woodrow, traffic manager. Exchange list; see authority file. Authority file No. 292. Correspondence file No. 145. Tariff file No. 1.

Substitute the following in lieu of list of stations of the Old Dominion Steamship Co. shown on page II of Tariff I. C. C. No. 645:

STATIONS OF OLD DOMINION STEAMSHIP CO. AT WHICH FREIGHT WILL BE RECEIVED AND DELIVERED IN GREATER NEW YORK.

Through rates of the Old Dominion Steamship Co. to and from New York, N. Y., published in tariffs lawfully on file with the Interstate Commerce Commission, will apply (except where provision to the contrary is made in aforesaid tariffs, and except on articles specified in rules 6 (a) and 6 (b) on pp. 3 and 4, on which through rates apply only to or from Piers 25 and 26, North River, New York, N. Y.) to and from the following stations, viz:

New York, N. Y.: Piers 25 and 26, North River.

Brooklyn, N. Y.: Brooklyn Eastern District Terminal, foot of North Seventh Street, Williamsburg. Bush Docks and Independent Stores, foot of Fortieth, Forty-first, Forty-second, and Forty-third Streets. Jay Street Terminal, foot of Jay Street. New York Dock Co.: Fulton Terminal, water front, between Fulton Street and Atlantic Avenue; Baltic Terminal, foot of Baltic Street; Atlantic Terminal, water front from Wolcott Street North. Pier foot of Hamilton Avenue.

Jersey City, N. J.: Brooklyn Eastern District Terminal, foot of Warren Street.

Tompkinsville, S. I.: American Dock Stores.

Item No. 1 (cancels rule 7, p. 4, of I. C. C. No. 621 and I. C. C. No. 645).

POINTS OF RECEIPT AND DELIVERY OF ARTICLES NOT ENTITLED TO FREE LIGHTERAGE.

Articles not accepted lighterage free.

7. Through rates of the Old Dominion Steamship Co. to and from New York, N. Y., published in tariffs lawfully on file with the Interstate Commerce Commission, will apply (except where provision to the contrary is made in aforesaid tariffs, and except on articles specified in rules 6 (a) and 6 (b), on pp. 3 and 4, on which through rates apply only to or from Piers 25 and 26, North River, New York, N. Y.) to and from the following stations, viz:

Points where freight not entitled to free lighterage will be received or delivered.

New York, N. Y.: Piers 25 and 26, North River.

Brooklyn, N. Y.: Brooklyn Eastern District Terminal, foot of North Seventh Street, Williamsburg. Bush Docks and Independent Stores, foot of Fortieth, Forty-first, Forty-second, and Forty-third Streets. Jay Street Terminal, foot of Jay Street. New York Dock Co.: Fulton Terminal, water front, between Fulton Street and Atlantic Avenue; Baltic Terminal, foot of Baltic Street; Atlantic Terminal, water front, from Wolcott Street North. Pier foot of Hamilton Avenue.

Jersey City, N. J.: Brooklyn Eastern District Terminal, foot of Warren Street.

Tompkinsville, S. I.: American Dock Stores.

[Only two supplements of this tariff will be in effect at any time. Tariff No. A-479. Cancels tariff No. A-439. I. C. C. No. 645. Cancels I. C. C. No. 621.]

OLD DOMINION STEAMSHIP CO.

TERMS AND CONDITIONS UNDER WHICH THIS COMPANY WILL PERFORM LIGHTERAGE AND DRAYAGE AND UNDER WHICH IT WILL PAY ALLOWANCES ON INBOUND AND OUT-BOUND FREIGHT WITHIN LIGHTERAGE LIMITS OF NEW YORK HARBOR.

(As specified on page 3, rule 3, including the allowance paid on sugar from Yonkers, N. Y., to Pier 25, North River, New York. Issued October 31, 1910. Effective December 1, 1910. By Lewis Walke, general freight agent. Approved by W. L. Woodrow, traffic manager, New York, N. Y. Exchange list; see Authority file. Authority file No. 292. Corres. files Nos. 145 and 2978-A. Tariff file No. 1.)

RULES GOVERNING ALLOWANCE ON SUGAR FOR DELIVERY TO PIER 25, NORTH RIVER, NEW YORK, N. Y., WHEN CONSIGNED TO SOUTHERN POINTS DESCRIBED BELOW.

Rule 1.—On shipments of sugar the following allowances will be paid for the delivery thereof to the Old Dominion Steamship Co. at Pier 25, North River, New York, N. Y., when originating at points defined in rule 2, and consigned to points defined in rules 3 and 4.

Points of origin.

Rule 2.—Brooklyn, N. Y.; Jersey City, N. J.; Staten Island, N. Y.; Edgewater, N. J.; Long Island City, N. Y.; Yonkers, N. Y.

Points of destination.

Rule 3.—Common and junction points opposite which through rates are shown in I. C. C. No. 23 (issued by John A. Ryan, agent), and which take the station numbers indicated on pages thereof named below:

Points taking station numbers ¹ —	On pages ¹ —	Allow-ances in cents per 100 pounds.	Points taking station numbers ¹ —	On pages ¹ —	Allow-ances in cents per 100 pounds.
1 to 7.....	B-168	4	12.....	37	4½
8 to 14.....	B-168	3	13.....	37	4
15 to 37.....	B-168	4	1 to 3.....	38	3
1 to 8.....	1	4	1 to 13.....	39	4
1 to 9.....	3	4	1 to 12.....	41	4
1 to 12.....	5	4	1 to 5.....	42	4
1 to 5.....	7	4	1 to 8.....	43	4½
6.....	7	3	1 to 15.....	44	4
7 to 13.....	7	4	16.....	44	4½
1 to 5.....	9	4	17 and 18.....	44	4
6.....	9	3	1 to 18.....	45	4
7 to 10.....	9	4	1 to 17.....	46	4
1 and 2.....	11	4	1 to 10.....	47	4
1 and 2.....	12	4	1 to 12.....	48	3
3.....	12	4½	1.....	50	4
4.....	12	4	2 to 7.....	50	4½
1 to 9.....	13	4	8 and 9.....	50	4
1 and 2.....	14	4	1 to 9.....	51	4½
1 to 16.....	15	4	1 to 10.....	52	4
1 to 8.....	17	4	1 to 5.....	53	4
1 to 8.....	19	4	1 to 3.....	54	4
1 to 12.....	21	4	4.....	54	3
1 to 7.....	23	4	5 to 7.....	54	4
1.....	24	4	8.....	54	3
1 to 4.....	25	4	9 to 10.....	54	4
5.....	25	4½	11.....	54	3
6 to 8.....	25	4	12 to 13.....	54	4
1 to 11.....	27	4	1 to 6.....	56	4
1 to 14.....	29	4	7.....	56	3
4 to 6.....	30	4	8 to 13.....	56	4
1 to 14.....	31	4	14 to 15.....	56	3
1 to 6.....	33	4	16 to 17.....	56	4
7.....	33	4½	1.....	57	3
8 to 13.....	33	4	1 to 16.....	58	4
1 to 14.....	35	4	1.....	60	3
1.....	37	4	2 to 3.....	60	4
1½.....	37	4½	3½ and 4.....	60	3
2 to 11.....	37	4	5 to 8.....	60	4

¹ Stations and pages indicated by first and last numbers are included.

Points of destination—Continued

Points taking station numbers—	On pages—	Allowances in cents per 100 pounds.	Points taking station numbers—	On pages—	Allowances in cents per 100 pounds.
9.....	60	3	4 to 6.....	66	3
10 to 15.....	60	4	2.....	67	3
1 to 10.....	62	4	3 and 4.....	67	4
11.....	62	3	5 to 18.....	67	4
12.....	62	4	19 and 20.....	67	3
12.....	62	3	21 to 23.....	67	4
1 to 3.....	64	3	1.....	67	4
1 and 2.....	65	3	1 and 2.....	68	3
3.....	65	3	3.....	68	4
1.....	66	4	4.....	68	3
2 and 3.....	66	3	5 to 8.....	68	4
7 to 9.....	66	4	9.....	68	3
10.....	66	3	10 to 12.....	68	4
11 to 13.....	66	4	13.....	68	3
14 to 16.....	66	3	14 to 18.....	■	4
17 to 23.....	66	4			

RULES GOVERNING ALLOWANCE ON SUGAR FOR DELIVERY TO PIER 25, NORTH RIVER, NEW YORK, N. Y., WHEN CONSIGNED TO WASHINGTON, D. C., AND POINTS IN VIRGINIA, WEST VIRGINIA, AND KENTUCKY DESCRIBED BELOW.

Rule 1.—On shipments of sugar the following allowances will be paid for the delivery thereof to the Old Dominion Steamship Co. at Pier 25, North River, New York, N. Y., when originating at points defined in rule 2 and consigned to points defined in rules 3, 4, 5, and 6.

Points of origin.

Rule 2.—Brooklyn, N. Y.; Edgewater, N. J.; Jersey City, N. J.; Long Island City, N. Y.; Staten Island, N. Y.; Yonkers, N. Y.

Rule 3.

Points of destination.	Allowance in cents per 100 pounds	Points of destination.	Allowance in cents per 100 pounds.
Alexandria, Va.....	3	Old Point Comfort, Va.....	3
Fortress Monroe, Va.....		Petersburg, Va.....	
Hampton, Va.....		Pinners Point, Va.....	
Lynchburg, Va.....	4	Portsmouth, Va.....	
Manchester, Va.....	3	Richmond, Va.....	
Newport News, Va.....		Smithfield, Va.....	
Norfolk, Va.....		Washington, D. C.....	

Points of destination.

Stations.	Station No.	Allowance in cents per 100 pounds.
Rule 4. —Chesapeake & Ohio Ry. stations specified in Chesapeake & Ohio Ry. tariff I. C. C. No. 3430, supplements thereto and reissues thereof, viz:		
U. S. Government siding, Va., to Kanawha City, W. Va., inclusive..	8 to 227, inclusive.....	3
South Ruffner, W. Va., to Charleston, W. Va.....	228 to 230, inclusive....	4½
Elk, W. Va., to Wilson, W. Va., inclusive.....	231 to 245, inclusive....	3
Guyandot, W. Va., to Cincinnati, Ohio, inclusive.....	246 to 331, inclusive....	4½
Sulphur Mines, Va.....	332.....	3
Madison, Va., to Orange, Va., inclusive.....	333 to 336, inclusive....	3
Hays Gap, Va., to Bess, Va., inclusive.....	.....	3
Harrington, Va., to Hot Springs, Va., inclusive.....	338 to 345, inclusive....	3
North Caldwell, W. Va., to Bartow, W. Va., inclusive.....	346 to 389, inclusive....	3
Dunlevie, W. Va., to Winterburn, W. Va., inclusive.....	.....	3
Coke Ovens, W. Va., to Layland, W. Va., inclusive.....	390 to 394, inclusive....	3
Royal, W. Va., to Mabscott, W. Va., inclusive.....	395 to 412, inclusive....	3
West Raleigh, W. Va., to Jenneys Gap, W. Va., inclusive.....	.....	3
South Thurmond, W. Va., to Macdonald, W. Va., inclusive.....	413 to 425, inclusive....	3
Wingrove, W. Va., to Stuart, W. Va., inclusive.....	426 to 433, inclusive....	3
Elverton, W. Va., to Bachman, W. Va., inclusive.....	.....	3
Boone, W. Va., to Lookout, W. Va., inclusive.....	445 to 451, inclusive....	3
Anstead, W. Va.....	452.....	3
K. & M. Junction, W. Va., to Greendale, W. Va., inclusive.....	453 to 464, inclusive....	3
Eberbough, W. Va., to Carter, W. Va., inclusive.....	465 to 471, inclusive....	3
Kimberley, W. Va., to Powellton, W. Va., inclusive.....	472 to 476, inclusive....	3
Mucklow, W. Va., to Mahan, W. Va., inclusive.....	477 to 492, inclusive....	3
Pine Grove, W. Va., to South Carbon, W. Va., inclusive.....	493 to 522, inclusive....	3
Kelleys, W. Va., to Logan, W. Va., inclusive.....	523 to 553, inclusive....	3
Logan Planing Mills, W. Va., to End of Line, W. Va., inclusive.....	.....	3
Bruce, Ky., to Carter, Ky., inclusive.....	554 to 565, inclusive....	4½
Haxall, Va., to Tyree, Va., inclusive.....	566 to 630, inclusive....	3
Reusins, Va., to Iron Gate, Va., inclusive.....	632 to 671, inclusive....	3
New Canton, Va., to Rosney, Va., inclusive.....	672 to 688, inclusive....	3
Boiling Springs, Va., to Esmont, Va., inclusive.....	689 to 691, inclusive....	3
Buffalo, Va., to Lexington, Va., inclusive.....	692 to 698, inclusive....	3
Whitten, Va., to New Castle, Va., inclusive.....	699 to 710, inclusive....	3
Hatfield, Ky., to Whitehouse, Ky., inclusive.....	711 to 738, inclusive....	4½
River, Ky., to Elkhorn City, Ky., inclusive.....	.....	4½
Strait Creek Junction, Ky., to Lexington, Ky., inclusive.....	739 to 800, inclusive....	4½
Wolfpit, Ky., to Beddow, Ky., inclusive.....	.....	4½
Gatewood, Ky., to Bothwell, Ky., inclusive.....	802 to 813, inclusive....	4½
Rule 5. —Virginian Ry. stations specified in Virginian Ry. tariffs I. C. C. Nos. 260 and 268, supplements thereto and reissues thereof.		3

Rule 6.—Old Dominion Steamship Co. landings; Virginia Navigation Co. landings. As specified in tariffs named below, supplements thereto, and reissues thereof.

Location.	Old Dominion Steamship Co. No.	Allowance in cents per 100 pounds.
James River.....	I. C. C. No. 642.....	3
East River.....	I. C. C. No. 518.....	3
North River.....		
Severn River.....		
Ware River.....		

RULES GOVERNING ALLOWANCE ON SUGAR FOR DELIVERY TO PIER 25, NORTH RIVER, NEW YORK, N. Y., WHEN CONSIGNED TO WESTERN POINTS DESCRIBED BELOW.

Rule 1.—On shipments of sugar an allowance of 4½ cents per 100 pounds will be paid for the delivery thereof to the Old Dominion Steamship Co. at Pier 25, North River, New York, N. Y., when originating at points defined in Rule 2 and consigned to western points defined in Rule 3.

Points of origin.

Rule 2.—Brooklyn, N. Y.; Edgewater, N. J.; Jersey City, N. J.; Long Island City, N. Y.; Staten Island, N. Y.; Yonkers, N. Y.

Points of destination.

Rule 3.—Memphis (proper or for beyond), Tenn.; Nashville, Tenn.; Paducah, Ky., and all points of destination named in the following tariffs, supplements thereto, and reissues thereof, viz:

Name of line or tariff.	Issued by—	I. C. C. No.
Arkansas tariff.....	W. J. Sedgman, agent.....	51
Central Freight Association.....	do.....	22
Colorado tariff.....	do.....	44
Louisiana-Texarkana tariff.....	do.....	48
Oklahoma tariff.....	do.....	49
Transcontinental Freight Bureau.....	R. H. Countiss, agent.....	928
Do.....	do.....	929
Utah tariff.....	W. J. Sedgman, agent.....	47

RULES GOVERNING FREE LIGHTERAGE ON LEAF TOBACCO AND ALLOWANCE BEYOND WATER FRONT AT JERSEY CITY, N. J., TO WAREHOUSES IN JERSEY CITY, N. J.

On leaf tobacco, in cases, tierces, or hogsheads, any quantity, from Cincinnati, Ohio; Covington, Ky.; Lexington, Ky.; L. & E. Junction, Ky.; Louisville, Ky.; Newport, Ky.; Winchester, Ky., moving via Chesapeake & Ohio Ry.

The Old Dominion Steamship Co. will lighter free of charge to shipper or consignee from Pier 26, North River, New York, N. Y., to piers in Jersey City, N. J., and will allow 2 cents per hundred pounds for the drayage thereof from piers in Jersey City to warehouses in Jersey City, N. J.

NOTE.—In dividing, 3 cents per hundred pounds lighterage and 2 cents per hundred pounds drayage must be allowed on billing and remainder prorated to New York.

FEDERAL SUGAR REFINING CO.,
New York, July 29, 1911.

HON. THOMAS W. HARDWICK, *Chairman,*
House of Representatives, Washington, D. C.

SIR: I beg to supplement my testimony before your committee as follows:

Federal Sugar Refining Co. was incorporated June 18, 1902, in the State of New Jersey, with a capital stock of \$100,000. On July 2, 1902, the certificate of incorporation was amended to make the capital stock \$50,000,000, of which \$25,000,000 was preferred and \$25,000,000 was common. On August 19, 1902, the certificate of incorporation was amended so as to make the preferred stock \$20,000,000, and the common stock \$30,000,000. On February 18, 1905, the certificate of incorporation was again amended to reduce the preferred stock to \$10,000,000, and the common stock to \$15,000,000.

On May 3, 1907, Federal Sugar Refining Co. was incorporated under the laws of the State of New York, with the consent of the Jersey corporation of the same name. The capital stock of this New York corporation was \$10,000,000, consisting of \$3,322,800 preferred stock and \$6,677,200 common stock, these being the amounts of the preferred and common stock of the Jersey corporation then outstanding.

The New York corporation exchanged its stock share for share for the stock of the Jersey corporation, and took over all the assets and the liabilities of the latter company, which was then dissolved.

Following are the amounts of beet sugars consumed by Federal Sugar Refining Co.: In 1902, 5,394 tons; 1903, 2,004 tons; 1904, 4,501 tons; 1905, 1,999 tons; 1906, 33,392 tons; 1907, 1,000 tons; 1908, 35,397 tons.

With regard to the losses on the sugar sent to the Pacific coast in the summer of 1910, per steamship *Lyra*, it is impossible to give the exact figures, since we have not closed up the account, but are holding it open on account of certain litigation regarding the freight and other matters. The loss will be more than \$75,000 and less than \$100,000, which figures I trust will satisfy the purposes of your investigation. As for the sale of those sugars by months, I have had to send to San Francisco to get those figures, as the records are out there.

Referring to the prices of raw and refined sugar in London and Hamburg from the year 1885 to 1910, which your committee desires, I have been unable to obtain accurate figures here and have sent to London to secure them.

I am, yours, respectfully,

C. N. SPRECKELS.

THE AMERICAN SUGAR REFINING CO.,
Boston, June 24, 1911.

THOMAS W. HARDWICK, ESQ.,
Chairman Sugar Investigating Committee,
Washington, D. C.

DEAR SIR: At the time of my recent examination by your committee I was asked to furnish certain information in regard to the Bay State Sugar Refining Co.

I can find no trace of any books of this company, with the exception of one copy book containing the monthly operations for the year 1888, when the refinery was operated by the trustees.

The meltings were continued through October, 1888, after which time the plant was shut down, and its machinery transferred to other going refineries.

I find the capital stock of the Bay State Sugar Refining Co. was \$450,000, and that the plant stood debited upon the books of the company with the same amount, \$450,000, which represented original cost. In addition to this there was an "improvement account," amounting to \$117,411, making the total book value, representing cost, \$567,411.

The melting capacity of the house was 350,000 pounds per day.

I am entirely unfamiliar with the cost of construction, but such figures as I can gather from experts, would indicate that the cost of replacing such a plant in a desirable location to-day, real estate included, would be approximately \$700,000.

By the books of E. Atkins & Co., who were stockholders in the Bay State Sugar Refining Co., I find that that firm, which was composed of three members, I being a junior partner, owned 2,785 shares of the Bay State Sugar Refining Co.'s stock for which they received at par value in trust certificates, \$552,358.33, being twenty-seven hundred and eighty-five forty-five hundredths of \$892,500. I find the allotment to the Bay State Sugar Refining Co., \$1,050,000, less 15 per cent, \$157,500, or \$892,500. The 15 per cent appears to have been held in the treasury of the trustees and, I understand, was used for cash requirements, in purchase of supplies, etc., but of this I find no record.

I find that E. Atkins & Co. sold during the years 1889 and 1890 some 2,100 trust certificates, at prices ranging from \$99 down to \$76 per share. Part of these were afterwards repurchased.

Of the balance of the stock of the Bay State Sugar Refining Co., the greater part was held by my father, Elisha Atkins, who died in 1888. This stock was exchanged for trust certificates at the same rate as mentioned above, which, upon his death, passed into the hands of his executors.

Very truly, yours,

EDWIN F. ATKINS.

THE AMERICAN SUGAR REFINING CO.,
New York, July 24, 1911.

HON. THOMAS W. HARDWICK,
Chairman House Sugar Investigating Committee,
Washington, D. C.

DEAR SIR: Referring to my letter to you of June 24 last, and in continuation of the same, I beg to mention the following additional points referred to in my testimony:

Pages 21 and 25.—As to the percentage of the refined sugar produced or controlled by the plants which were taken into the trust in 1887, I have no means of answering accurately. It is not a question of refreshing my recollection, for I never knew, and I know of no records from which now the information can be obtained. I call your attention, however, to the fact that in the case of *United States v. E. C. Knight Co. et al.* (60 Fed., 306, affirmed 156 U. S., 1), the circuit court found as facts, and their findings were expressly approved by the Supreme Court, that prior to March, 1892, the four Philadelphia refineries (to wit, the Franklin, the E. C. Knight, the Spreckels, and the Delaware Sugar House) "produced about 33 per cent of the total amount of sugar refined in the United States"; that the Revere Co., of Boston, produced "about 2 per cent of the amount refined in this country." From this it appears that prior to March, 1892, the companies in the trust, which at that time included the American Sugar Refinery of California, produced only 65 per cent of the refined sugar in the United States. As the California company mentioned was not one of the 17 plants taken in in 1887, it would appear that in that year the percentage must have been still less.

Page 26.—The dividends on the preferred stock have been 7 per cent annually from 1891 to date; those on the common stock have been as follows, viz, 1891, 8 per

cent; 1892, 9 per cent; 1893, 22 per cent; 1894 to 1899, 12 per cent annually; 1900, 6½ per cent; 1901 to 1910, 7 per cent annually.

Pages 31 and 32.—The percentage of trust certificates reserved as treasury stock was apparently 15 per cent. (See my letter of June 24, 1911.) I have no knowledge, and I do not know and never did know, what became of these treasury stock certificates.

Page 50.—I understand that the net earnings of the American Sugar Refining Co. for the year 1909 are asked for. The following table shows the net earnings, before paying dividends, to have been \$4,909,101.11, to wit:

Gross earnings.....	\$10,823,869.39
Less for depreciation.....	\$1,284,281.96
Set aside to cover claims and litigation.....	500,000.00
	<hr/>
	1,784,281.96
	<hr/>
	9,039,587.43
Less paid in settlement of suits against company.....	4,135,486.32
	<hr/>
Net earnings.....	4,904,101.11
Dividends at 7 per cent.....	6,299,951.00
	<hr/>
Deficit.....	1,395,849.89

Page 109.—My information is that the stock of the Western Sugar Refining Co. held by the American Sugar Refining Co., was at the last stockholders' meeting of the former company voted by the secretary of the Western Sugar Refining Co.

Page 111.—Baltimore Sugar Refining Co.: The minutes of the board of directors, under date of October 16, 1891, contain the following:

"The treasurer reported that it was probably feasible to purchase 4,000 shares of the capital stock of the Baltimore Sugar Refining Co., which, together with 1,570 shares owned by the Messrs. Havemeyer, would give a majority of the stock of that corporation.

Mr. H. O. Havemeyer stated that he and Mr. T. A. Havemeyer had purchased in March last and subsequently, small lots of the stock of the Baltimore corporation at prices varying from 108 to 110 and that they were willing to turn over such stock to this company at cost including interest and commissions paid, if the company desired to acquire it, in order to make a majority.

On motion of Mr. Magoun, seconded by Mr. Dick, the treasurer was authorized to purchase not to exceed 5,600 shares of the stock of the Baltimore Sugar Refining Co., at a cost of \$110 per share and commissions, the purchase to include 1,570 shares now owned by Messrs. H. O. and T. A. Havemeyer, at a cost of \$181,818.68, as of October 12, 1891. The resolution was adopted, Mr. H. O. Havemeyer not voting."

The minutes of a meeting of the board held October 20, 1891, contain the following:

"The treasurer reported that the purchase of a majority interest in the capital stock of the Baltimore Sugar Refining Co. authorized at the last meeting could probably be consummated on condition that the stock of said company shall be increased to \$1,300,000. the increase to be used for the purpose of improving and increasing the capacity of the refinery.

On motion, the purchase was authorized on this basis, the American Sugar Refining Co. agreeing to subscribe for its pro rata of the new stock."

The minutes of a meeting of December 8, 1891, contain the following:

"The treasurer reported further purchases of the stock of the Baltimore Refinery of 540 shares at par, making a total of 6,397 shares.

"On motion, the report was accepted and the purchase approved, and the treasurer was authorized to increase the purchases to a total of 6,600 shares."

No copy of the agreement asked for on page 111 of the testimony, if any such there ever was, can be found.

The books of account of the American Sugar Refining Co. show that the company paid \$1,812,138.95 for 13,000 shares of common stock and 6,500 shares of preferred stock of the Baltimore Sugar Refining Co.

I inclose also tables showing for the years 1904 to 1910, inclusive, the various information which I understand to be required at page 164 of the minutes.

I would call your attention to the fact that the greatest difference in parity between Cuba centrifugals, as quoted in New York, and Hamburg beets, of equal dates, will be found during the period of the heaviest receipts of sugar, either in the Atlantic ports or in Cuban ports, and that this difference of parity, as a rule, diminished as the receipts of sugar fell off the last half of the year.

Yours, very truly,

EDWIN F. ATKINS.

Sugar quotations.

[Willet & Gray's market quotations at New York.]

1910.

Dates.	Granulated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe, against 34 cents differential.	Dates.	Granulated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe, against 34 cents differential.
	Cents.	Cents.	Cents.	Cents.		Cents.	Cents.	Cents.	Cents.
Jan. 6	4.80	4.02	0.78	0.69	July 14	5.05	4.30	0.75	0.85
13	4.90	4.11	.79	.71	21	5.10	4.36	.74	.81
20	4.90	4.08	.82	.64	28	5.10	4.36	.74	.77
27	4.90	4.08	.82	.65	Aug. 4	5.05	4.36	.69	.83
Feb. 3	4.90	4.17	.73	.58	11	5.10	4.39	.71	.80
10	4.90	4.11	.79	.65	18	5.10	4.42	.68	.75
17	4.90	4.20	.70	.66	25	5.20	4.45	.75	.74
24	5.00	4.36	.64	.59	Sept. 1	5.20	4.425	.775	.405
Mar. 3	5.10	4.39	.71	.69	8	5.00	4.36	.64	.39
10	5.20	4.36	.84	.70	15	5.00	4.36	.64	.22
17	5.20	4.36	.84	.75	22	5.00	4.24	.76	.23
23	5.20	4.36	.84	.76	29	5.00	4.05	.95	.15
31	5.10	4.36	.74	.79	Oct. 6	4.95	3.95	1.00	.16
Apr. 7	5.10	4.36	.74	.77	13	4.85	3.90	.95	.10
14	5.05	4.36	.69	.65	20	4.75	3.85	.90	.08
21	5.10	4.30	.80	.79	27	4.70	3.86	.84	+.02
28	5.10	4.30	.80	.79	Nov. 3	4.55	3.80	.75	.05
May 5	5.10	4.30	.80	.87	10	4.55	3.86	.69	+.01
12	5.20	4.24	.96	.92	17	4.55	3.90	.65	+.01
19	5.20	4.24	.96	.93	23	4.55	3.90	.65	+.02
26	5.20	4.27	.93	.92	Dec. 1	4.55	3.93	.62	+.05
June 2	4.95	4.24	.71	.87	8	4.75	4.05	.70	+.16
9	5.10	4.24	.86	.89	15	4.75	4.00	.75	+.11
16	5.10	4.17	.93	.85	22	4.75	3.985	.765	+.135
23	5.10	4.24	.86	.91	29	4.75	3.985	.765	+.105
30	5.00	4.30	.70	.87					
July 7	5.05	4.33	.72	.86	Average.	4.966	4.19	.776	.....

1909.

Jan. 7	4.45	3.73	0.72	0.41	July 15	4.70	3.92	0.78	0.28
14	4.50	3.73	.77	.41	22	4.70	3.95	.75	.25
21	4.50	3.67	.83	.48	29	4.80	3.985	.815	.255
28	4.50	3.67	.83	.45	Aug. 5	4.80	4.05	.75	.23
Feb. 4	4.50	3.64	.86	.47	12	4.80	4.08	.72	.28
10	4.50	3.61	.89	.50	19	4.80	4.11	.69	.36
18	4.30	3.61	.69	.50	26	4.90	4.11	.79	.36
25	4.40	3.735	.665	.415	Sept. 2	4.90	4.17	.73	.30
Mar. 4	4.45	3.735	.715	.425	9	4.90	4.20	.70	.30
11	4.55	3.80	.75	.38	16	5.00	4.21	.79	.28
18	4.70	3.92	.78	.29	23	4.85	4.235	.615	.235
25	4.70	3.92	.78	.28	30	4.85	4.235	.615	.055
Apr. 1	4.80	3.985	.815	.205	Oct. 7	4.85	4.235	.615	.085
7	4.80	3.985	.815	.195	14	4.90	4.27	.63	.12
15	4.80	3.92	.88	.27	21	4.90	4.30	.60	.01
22	4.80	3.86	.94	.34	28	4.90	4.30	.60	.17
29	4.90	3.92	.98	.27	Nov. 4	4.95	4.30	.65	.17
May 6	4.90	3.86	1.04	.32	11	5.00	4.45	.55	.13
13	4.75	3.92	.83	.30	18	5.00	4.42	.58	.22
20	4.70	3.95	.75	.29	24	5.00	4.36	.64	.32
27	4.80	3.92	.88	.33	Dec. 2	5.00	4.33	.67	.38
June 3	4.80	3.89	.91	.35	9	5.00	4.315	.685	.355
10	4.60	3.86	.74	.36	16	5.00	4.17	.83	.43
17	4.70	3.92	.78	.28	23	4.80	4.02	.78	.57
24	4.75	3.92	.83	.28	30	4.80	4.02	.78	.60
July 1	4.70	3.92	.78	.28					
8	4.70	3.92	.78	.28	Average.	4.762	4.005	.757	.....

Sugar quotations—Continued.

1908.

Dates.	Granulated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe, against 34 cents differential.	Dates.	Granulated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe against 34 cents differential.
	Cents.	Cents.	Cents.	Cents.		Cents.	Cents.	Cents.	Cents.
Jan. 2	4.55	3.85	0.70	0.24	July 16	5.25	4.36	0.89	0.01
9	4.75	3.94	.81	.12	23	5.25	4.25	1.00	.04
16	4.75	3.92	.83	.15	30	5.15	4.25	.90	.00
23	4.75	3.80	.95	.26	Aug. 6	5.05	4.125	.925	.025
30	4.75	3.75	1.00	.34	13	5.05	4.08	.97	.04
Feb. 6	4.75	3.75	1.00	.36	20	5.05	4.08	.97	+ .01
13	4.65	3.67	.98	.40	27	4.75	3.90	.85	.08
20	4.55	3.67	.88	.39	Sept. 3	4.95	3.96	.99	.07
27	4.65	3.885	.765	.235	10	4.95	3.90	1.05	.09
Mar. 5	4.75	3.89	.86	.27	17	4.95	3.95	1.00	.09
12	4.85	4.05	.80	.17	24	4.95	3.98	.97	.13
19	5.05	4.125	.925	.205	Oct. 1	4.95	3.98	.97	.01
26	5.25	4.36	.89	.04	8	4.85	3.98	.87	.02
Apr. 2	5.25	4.36	.89	.04	15	4.85	3.96	.89	.13
9	5.25	4.36	.89	.07	22	4.75	4.04	.71	.15
16	5.35	4.36	.99	.11	29	4.85	3.98	.87	.11
23	5.35	4.42	.93	.08	Nov. 5	4.75	3.95	.80	.19
30	5.35	4.42	.93	.05	12	4.60	3.94	.66	.22
May 7	5.15	4.36	.79	.11	19	4.55	3.94	.61	.22
14	5.35	4.36	.99	.06	25	4.55	3.94	.61	.22
21	5.35	4.24	1.11	.12	Dec. 3	4.55	3.92	.63	.23
28	5.20	4.27	.93	.13	10	4.55	3.86	.69	.25
June 4	5.20	4.36	.84	.00	17	4.60	3.77	.83	.34
11	5.20	4.40	.80	.00	23	4.50	3.70	.80	.42
18	5.25	4.31	.94	.02	30	4.50	3.67	.83	.49
25	5.25	4.25	1.00	.08					
July 2	5.25	4.39	.86	.03	Average.	5.035	4.142	.893	.....
9	5.25	4.39	.86	.03					

1907.

Jan. 3	4.62	3.56	1.06	0.28	July 11	4.75	3.835	0.915	0.145
10	4.50	3.56	.94	.28	18	4.75	3.835	.915	.205
17	4.62	3.50	1.12	.34	25	4.70	3.94	.76	.10
24	4.60	3.48	1.12	.36	Aug. 1	4.65	3.94	.71	.10
31	4.65	3.48	1.17	.32	8	4.65	3.94	.71	.10
Feb. 7	4.50	3.42	1.08	.42	15	4.65	3.89	.76	.15
14	4.55	3.42	1.13	.43	22	4.65	3.89	.76	.20
21	4.55	3.38	1.17	.49	29	4.65	3.92	.73	.17
28	4.55	3.42	1.13	.46	Sept. 5	4.65	3.92	.73	.24
Mar. 7	4.55	3.51	1.04	.38	12	4.65	3.95	.70	.16
14	4.55	3.50	1.05	.41	19	4.65	3.95	.70	.14
21	4.55	3.51	1.04	.41	26	4.65	3.95	.70	.16
28	4.55	3.58	.97	.35	Oct. 3	4.65	3.95	.70	.09
Apr. 4	4.55	3.61	.94	.32	10	4.65	3.95	.70	.08
11	4.65	3.735	.915	.195	17	4.65	3.90	.75	.06
18	4.65	3.765	.885	.215	24	4.65	3.90	.75	.03
25	4.60	3.73	.87	.25	31	4.65	3.90	.75	.03
May 2	4.60	3.765	.835	.225	Nov. 7	4.65	3.90	.75	.06
9	4.70	3.83	.87	.29	14	4.60	3.80	.80	.18
16	4.85	3.86	.99	.21	21	4.60	3.70	.90	.26
23	4.85	3.92	.93	.17	27	4.60	3.625	.975	.305
29	4.85	3.90	.95	.21	Dec. 5	4.55	3.625	.925	.335
June 6	4.85	3.84	1.01	.25	12	4.55	3.85	.70	.19
13	4.85	3.73	1.12	.31	19	4.55	3.85	.70	.18
20	4.85	3.71	1.14	.32	26	4.55	3.85	.70	.22
27	4.85	3.875	.975	.165					
July 3	4.85	3.835	1.015	.165	Average.	4.65	3.753	.897	.....

Sugar quotations—Continued.

1906.

Dates.	Granu- lated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe, against 34 cents differ- ential.	Dates.	Granu- lated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe, against 34 cents differ- ential.
	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>		<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
Jan. 4	4.45	3.625	0.825	0.075	July 12	4.55	3.72	0.83	0.02
11	4.55	3.75	.70	+.04	19	4.45	3.72	.73	.04
18	4.35	3.625	.725	.085	26	4.65	3.75	.90	.03
25	4.35	3.56	.79	.15	Aug. 2	4.65	3.80	.85	.04
Feb. 1	4.35	3.50	.85	.17	9	4.75	3.875	.875	.035
8	4.35	3.36	.99	.30	16	4.75	3.875	.875	+.005
15	4.30	3.36	.94	.31	23	4.65	3.94	.71	.01
21	4.30	3.36	.94	.33	30	4.65	4.00	.65	+.02
Mar. 1	4.35	3.39	.96	.32	Sept. 6	4.65	4.00	.65	.00
8	4.45	3.44	1.01	.29	13	4.75	4.09	.66	.02
15	4.45	3.52	.93	.25	20	4.75	4.09	.66	+.10
22	4.45	3.56	.89	.21	27	4.75	4.06	.69	.01
29	4.45	3.50	.95	.24	Oct. 4	4.55	4.00	.55	+.07
Apr. 5	4.55	3.55	1.00	.21	11	4.65	4.00	.65	+.01
12	4.45	3.48	.97	.29	18	4.65	4.00	.65	+.04
19	4.40	3.42	.98	.34	25	4.65	4.00	.65	+.15
26	4.80	3.375	.925	.365	Nov. 11	4.55	3.88	.67	+.08
May 3	4.40	3.48	.92	.22	8	4.55	3.81	.74	.03
10	4.45	3.48	.97	.21	12	4.55	3.81	.74	.01
17	4.35	3.42	.93	.24	22	4.55	3.81	.74	.03
24	4.35	3.42	.93	.19	28	4.55	3.84	.71	.04
31	4.35	3.45	.90	.22	Dec. 6	4.62	3.84	.78	.07
June 7	4.45	3.47	.98	.17	13	4.62	3.875	.745	+.025
14	4.45	3.50	.95	.20	20	4.62	3.875	.745	+.035
21	4.45	3.50	.95	.20	27	4.62	3.58	1.04	.29
28	4.45	3.61	.84	.09					
July 5	4.55	3.75	.80	+.01	Average.	4.516	3.69	.826	.....

1905.

Jan. 5	5.70	4.875	0.825	0.335	July 13	5.15	4.00	1.15	0.04
12	5.80	5.06	.74	.35	20	5.05	4.00	1.05	.33
19	5.90	5.24	.66	.25	27	4.90	4.06	.84	.29
26	6.00	5.25	.75	.16	Aug. 3	5.05	4.06	.99	.08
Feb. 2	6.00	5.25	.75	.10	10	5.10	4.125	.975	.055
9	5.90	4.94	.96	.31	17	5.10	4.125	.975	+.055
16	5.90	4.94	.96	.29	24	5.10	4.00	1.10	+.07
23	5.90	5.06	.84	.23	31	5.00	4.00	1.00	+.19
Mar. 2	5.90	5.125	.775	.265	Sept. 7	5.00	4.00	1.00	+.19
9	5.90	5.06	.84	.16	14	4.90	3.875	1.025	+.105
16	5.90	4.88	1.02	.24	21	4.65	3.625	1.025	.155
23	5.90	4.84	1.06	.24	28	4.55	3.69	.86	.12
30	5.90	4.81	1.09	.30	Oct. 5	4.55	3.61	.94	.21
Apr. 6	5.90	4.94	.96	.15	12	4.55	3.625	.925	.195
13	5.90	4.88	1.02	.11	19	4.45	3.58	.87	.15
20	5.90	4.72	1.18	.03	26	4.45	3.50	.95	.23
27	5.90	4.625	1.275	.095	Nov. 2	4.35	3.50	.85	.17
May 4	5.90	4.625	1.275	.085	9	4.35	3.44	.91	.22
11	5.70	4.50	1.20	.04	16	4.35	3.44	.91	.27
18	5.50	4.34	1.16	.09	23	4.45	3.55	.90	.21
25	5.60	4.375	1.225	.225	29	4.45	3.56	.89	.17
June 1	5.60	4.375	1.225	.135	Dec. 7	4.45	3.56	.89	.17
8	5.60	4.375	1.225	.155	14	4.45	3.625	.825	.065
15	5.60	4.25	1.35	.25	21	4.45	3.625	.825	.065
22	5.35	4.31	1.04	.20	28	4.45	3.625	.825	.065
29	5.25	4.25	1.00	.11					
July 6	5.25	4.19	1.06	.12	Average.	5.247	4.267	.98	.....

Sugar quotations—Continued.

1904.

Dates.	Granulated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe, against 34 cents differential.	Dates.	Granulated (net cash).	Cuban centrifugals 96° (duty paid).	Margin between raw and refined.	Cuban centrifugals below parity of Europe, against 34 cents differential.
	Cents.	Cents.	Cents.	Cents.		Cents.	Cents.	Cents.	Cents.
Jan. 7	4.36	3.47	0.89	0.28	July 14	4.85	3.94	0.91	0.10
14	4.36	3.35	1.01	.37	21	4.85	3.94	.91	.12
21	4.36	3.31	1.05	.38	28	4.95	3.94	1.01	.12
28	4.26	3.31	.95	.32	Aug. 4	5.00	4.06	.94	.09
Feb. 4	4.26	3.35	.91	.33	11	5.00	4.125	.875	.095
11	4.26	3.35	.91	.29	18	4.95	4.25	.70	+.03
18	4.26	3.35	.91	.33	25	4.95	4.25	.70	+.01
25	4.26	3.38	.88	.31	Sept. 1	5.00	4.31	.69	+.03
Mar. 3	4.31	3.44	.87	.29	8	5.00	4.31	.69	+.03
10	4.41	3.44	.97	.29	15	4.95	4.31	.64	+.05
17	4.50	3.50	1.00	.25	22	4.95	4.25	.70	.08
24	4.50	3.60	.90	.19	29	5.00	4.31	.69	.07
31	4.50	3.67	.83	.13	Oct. 6	4.90	4.29	.61	.08
Apr. 7	4.50	3.67	.83	.12	13	4.90	4.25	.65	.04
14	4.40	3.61	.79	.18	20	4.80	4.25	.55	.10
21	4.40	3.54	.86	.28	27	4.80	4.22	.58	.13
28	4.55	3.70	.85	.18	Nov. 3	5.00	4.41	.59	.27
May 5	4.55	3.73	.82	.16	10	5.25	4.41	.84	.45
12	4.55	3.75	.80	.21	17	5.30	4.625	.675	.495
19	4.75	3.88	.87	.11	23	5.30	4.75	.55	.29
26	4.80	3.95	.85	.06	Dec. 1	5.30	4.75	.55	.20
June 2	4.80	3.95	.85	.02	8	5.40	4.75	.65	.33
9	4.75	3.875	.875	.055	15	5.50	4.875	.625	.115
16	4.75	3.84	.91	.07	22	5.50	4.875	.625	.125
23	4.75	3.94	.81	.02	29	5.60	4.875	.725	.185
30	4.75	3.94	.81	.05					
July 7	4.85	3.94	.91	.07	Average.	4.7837	3.9839	.7998	.....

1910.

Date.	Hamburg beets (sterling).	Hamburg beets (sterling), parity centrifugal, New York.	Cuban centrifugal (duty paid).	Below parity of Europe against 34 cents differential.	Cuban price, C. and F.	Receipts all sugars Atlantic ports (tons).	Requirements of United States refineries shown by meltings (tons).	Receipts in Cuba from interior ports (tons).
Jan. 6	12.9	4.71	4.02	0.69	2.67	5,977	15,165	21,000
13	13.3	4.82	4.11	.71	2.76	33,646	20,835	32,000
20	12.94	4.72	4.08	.64	2.73	32,922	28,000	47,000
27	12.10½	4.73	4.08	.65	2.73	54,303	38,000	57,000
Feb. 3	12.11½	4.75	4.17	.58	2.82	57,365	39,000	70,000
10	13	4.76	4.11	.65	2.76	67,764	40,000	74,000
17	13.5½	4.86	4.20	.66	2.85	67,375	40,000	74,000
24	13.10½	4.95	4.36	.59	3.01	47,390	40,000	68,000
Mar. 3	14.5½	5.08	4.39	.69	3.04	65,684	43,000	63,000
10	14.4½	5.06	4.36	.70	3.01	68,263	43,000	61,000
17	14.6½	5.11	4.36	.75	3.01	57,304	43,000	58,000
23	14.7½	5.12	4.36	.76	3.01	56,169	43,000	56,000
31	14.9	5.15	4.36	.79	3.01	79,071	44,000	55,000
Apr. 7	14.8½	5.13	4.36	.77	3.01	75,242	42,000	54,000
14	14.1½	5.01	4.36	.65	3.01	50,475	45,000	50,000
21	14.6	5.09	4.30	.79	2.95	77,553	48,000	47,000
28	14.6	5.09	4.30	.79	2.95	59,167	48,000	43,000
May 5	14.10½	5.17	4.30	.87	2.95	38,282	48,000	42,000
12	14.9½	5.16	4.24	.92	2.89	46,189	48,000	40,000
19	14.10½	5.17	4.24	.93	2.89	77,050	52,000	32,000
26	14.11½	5.19	4.27	.92	2.92	57,745	55,000	24,000
June 2	14.6½	5.11	4.24	.87	2.89	59,654	55,000	13,000
9	14.8½	5.13	4.24	.89	2.89	37,382	55,000	9,000
16	14.2½	5.02	4.17	.85	2.82	56,165	55,000	9,000
23	14.9	5.15	4.24	.91	2.89	68,343	52,000	7,000
30	14.10½	5.17	4.30	.87	2.95	30,829	52,000	6,000
July 7	14.11½	5.19	4.33	.86	2.98	44,356	45,000	5,000

Sugar quotations—Continued.

1910—Continued.

Date.	Hamburg beets (sterling).	Hamburg beets (sterling), parity centrifugal, New York.	Cuban centrifugal (duty paid).	Below parity of Europe against 34 cents differential.	Cuban price C. & F.	Receipts all sugars Atlantic ports (tons).	Requirements of United States refineries shown by meltings (tons).	Receipts in Cuba from interior ports (tons).
July 14	14.9	5.15	4.30	0.85	2.95	35,165	48,000	5,000
21	14.10½	5.17	4.36	.81	3.01	47,384	48,000	4,000
28	14.8½	5.13	4.36	.77	3.01	40,072	47,000	4,000
Aug. 4	14.11½	5.19	4.36	.83	3.01	56,311	45,000	4,000
11	14.11½	5.19	4.39	.80	3.04	31,861	45,000	4,000
18	14.10½	5.17	4.42	.75	3.07	42,695	50,000	4,000
25	14.11½	5.19	4.45	.74	3.10	33,906	50,000	3,000
Sept. 1	13.3½	4.83	4.425	.405	3.075	21,131	50,000	2,000
8	12.11½	4.75	4.36	.39	3.01	37,859	51,000	2,000
15	12.2½	4.58	4.36	.22	3.01	21,890	55,000	2,000
22	11.8½	4.47	4.24	.23	2.89	28,558	55,000	2,000
29	10.5½	4.20	4.05	.15	2.70	31,332	55,000	1,000
Oct. 6	10	4.11	3.95	.16	2.60	16,882	45,000	None.
13	9.6½	4	3.90	.10	2.55	39,627	40,000	None.
20	9.3	3.93	3.85	.08	2.50	12,155	40,000	None.
27	8.9½	3.84	3.86	+.02	2.51	25,429	34,000	None.
Nov. 3	8.10½	3.85	3.80	.05	2.45	30,412	30,000	None.
10	8.10½	3.85	3.86	+.01	2.51	7,049	30,000	None.
17	9.0½	3.89	3.90	+.01	2.55	9,678	25,000	None.
23	9	5.88	3.90	+.02	2.55	27,046	25,000	None.
Dec. 1	9	3.88	3.93	+.05	2.58	22,145	25,000	None.
8	9.0½	3.89	4.05	+.16	2.70	17,892	30,000	None.
15	9.0½	3.89	4	+.11	2.65	14,529	30,000	None.
22	8.10½	3.85	3.985	+.135	2.635	10,769	27,000	None.
29	9	3.88	3.985	+.105	2.635	23,175	20,000	2,000

1909.

Jan. 7	10.1½	4.14	3.73	0.41	2.38	11,588	11,000	13,000
14	10.1½	4.14	3.73	.41	2.38	8,084	18,000	20,000
21	10.2½	4.15	3.67	.48	2.32	5,493	30,000	29,000
28	10.0½	4.12	3.67	.45	2.32	45,067	30,000	51,000
Feb. 4	10	4.11	3.64	.47	2.29	30,366	30,000	55,000
10	10	4.11	3.61	.50	2.26	80,371	30,000	61,000
18	10	4.11	3.61	.50	2.26	64,454	37,000	65,000
25	10.2½	4.15	3.735	.415	2.385	75,732	37,000	65,000
Mar. 4	10.3	4.16	3.735	.425	2.385	50,042	37,000	63,000
11	10.3½	4.18	3.80	.38	2.45	49,094	39,000	58,000
18	10.6	4.21	3.92	.29	2.57	62,110	39,000	56,000
25	10.5½	4.20	3.92	.28	2.57	34,355	42,000	54,000
Apr. 1	10.4½	4.19	3.985	.205	2.635	77,556	42,000	51,000
7	10.3½	4.18	3.985	.195	2.635	69,595	45,000	48,000
15	10.4½	4.19	3.92	.27	2.57	69,760	45,000	44,000
22	10.5½	4.20	3.86	.34	2.51	52,709	44,000	28,000
29	10.4½	4.19	3.92	.27	2.57	67,375	44,000	33,000
May 6	10.3½	4.18	3.86	.32	2.51	49,616	50,000	41,000
13	10.6½	4.22	3.92	.30	2.57	65,418	50,000	35,000
20	10.7½	4.24	3.95	.29	2.60	59,974	50,000	26,000
27	10.8½	4.25	3.92	.33	2.57	78,937	52,000	13,000
June 3	10.7½	4.24	3.89	.35	2.54	52,353	52,000	11,000
10	10.6½	4.22	3.86	.36	2.51	34,340	52,000	6,000
17	10.5½	4.20	3.92	.28	2.57	34,127	52,000	5,000
24	10.5½	4.20	3.92	.28	2.57	44,166	50,000	3,000
July 1	10.5½	4.20	3.92	.28	2.57	56,202	50,000	3,000
8	10.5½	4.20	3.92	.28	2.57	48,311	45,000	3,000
15	10.5½	4.20	3.92	.28	2.57	49,196	50,000	2,000
22	10.5½	4.20	3.95	.25	2.60	18,302	50,000	2,000
29	10.7½	4.24	3.985	.255	2.635	27,855	50,000	2,000
Aug. 5	10.9½	4.28	4.05	.23	2.70	27,854	50,000	2,000
12	11.2½	4.36	4.08	.28	2.73	36,247	50,000	2,000
19	11.8½	4.47	4.11	.36	2.76	48,496	50,000	2,000
26	11.8½	4.47	4.11	.36	2.76	33,867	54,000	1,000
Sept. 2	11.8½	4.47	4.17	.30	2.82	50,434	54,000	1,000
9	11.9½	4.50	4.20	.30	2.85	28,757	48,000	1,000
16	11.9	4.49	4.21	.28	2.86	28,928	52,000	1,000
23	11.8½	4.47	4.235	.235	2.885	24,609	48,000	1,000
30	10.10½	4.29	4.235	.055	2.885	26,097	47,000	None.
Oct. 7	11	4.32	4.235	.085	2.885	43,562	47,000	1,000
14	11.3½	4.39	4.27	.12	2.92	18,949	40,000	None.
21	10.11½	4.31	4.30	.01	2.95	19,693	39,000	None.

Sugar quotations—Continued.

1909—Continued.

Date.	Hamburg beets (sterling).	Hamburg beets (sterling), parity centrifugal, New York.	Cuban centrifugal (duty paid).	Below parity of Europe against 34 cents differential.	Cuban price, C. & F.	Receipts all sugars Atlantic ports (tons).	Requirements of United States refineries shown by maltings (tons).	Receipts in Cuba from interior ports (tons).
Oct. 28	11.8½	4.47	4.30	0.17	2.95	33,799	30,000	None.
Nov. 4	11.8½	4.47	4.30	.17	2.95	16,530	28,000	None.
11	12.2½	4.58	4.45	.13	3.10	26,534	25,000	None.
18	12.5½	4.64	4.42	.22	3.07	23,219	25,000	None.
24	12.7½	4.68	4.36	.32	3.01	11,664	25,000	None.
Dec. 2	12.9	4.71	4.33	.38	2.98	17,822	25,000	None.
9	12.6½	4.67	4.315	.355	2.965	17,709	25,000	None.
16	12.3½	4.60	4.17	.43	2.82	28,616	24,000	None.
23	12.3	4.59	4.02	.57	2.67	11,878	20,000	6,000
30	12.4½	4.62	4.02	.60	2.67	6,354	15,000	15,000

1908.

Jan. 2	9.11½	4.09	3.85	0.24	2.50	22,275	25,000	2,000
9	9.9½	4.06	3.94	.12	2.59	16,261	24,000	9,000
16	9.10½	4.07	3.92	.15	2.57	15,321	25,000	10,000
23	9.9½	4.06	3.80	.26	2.45	8,225	25,000	15,000
30	9.11½	4.09	3.75	.34	2.40	21,627	25,000	21,000
Feb. 6	10	4.11	3.75	.36	2.40	41,523	27,000	40,000
13	9.10½	4.07	3.67	.40	2.32	48,992	28,000	49,000
20	9.9½	4.06	3.67	.39	2.32	42,165	20,000	56,000
27	10.0½	4.12	3.885	.235	2.535	68,682	32,000	56,000
Mar. 5	10.3	4.16	3.89	.27	2.54	45,046	35,000	52,000
12	10.6½	4.22	4.05	.17	2.70	55,780	35,000	50,000
19	11.0½	4.33	4.125	.205	2.775	62,307	34,000	45,000
26	11.4½	4.40	4.36	.04	3.01	28,442	40,000	40,000
Apr. 2	11.4½	4.40	4.36	.04	3.01	37,079	40,000	39,000
9	11.6	4.43	4.36	.07	3.01	36,768	41,000	32,000
16	11.8½	4.47	4.36	.11	3.01	64,516	41,000	27,000
23	11.9½	4.50	4.42	.08	3.07	49,273	39,000	18,000
30	11.8½	4.47	4.42	.05	3.07	65,663	39,000	10,000
May. 7	11.8½	4.47	4.36	.11	3.01	49,224	40,000	8,000
14	11.5½	4.42	4.36	.06	3.01	76,003	41,000	11,000
21	11.2½	4.36	4.24	.12	2.89	62,901	41,000	10,000
28	11.4½	4.40	4.27	.13	2.92	42,366	41,000	5,000
June 4	11.2½	4.36	4.36	.....	3.01	38,712	41,000	4,000
11	11.4½	4.40	4.40	.....	3.05	19,644	45,000	5,000
18	11.0½	4.33	4.31	.02	2.96	46,227	45,000	2,000
25	11.0½	4.33	4.25	.08	2.90	47,634	43,000	2,000
July 2	11.5½	4.42	4.39	.03	3.04	35,795	45,000	2,000
9	11.5½	4.42	4.39	.05	3.04	37,682	43,000	2,000
16	11.3	4.37	4.36	.01	3.01	29,434	45,000	1,000
23	10.10½	4.29	4.25	.04	2.90	30,725	45,000	None.
30	10.8½	4.25	4.25	.....	2.90	54,100	44,000	None.
Aug. 6	10.2½	4.15	4.125	.025	2.775	24,126	40,000	None.
13	10.0½	4.12	4.08	.04	2.73	31,417	37,000	None.
20	9.10½	4.07	4.08	+.01	2.73	31,600	37,000	None.
27	9.5½	3.98	3.90	.08	2.55	44,917	37,000	None.
Sept. 3	9.8½	4.03	3.96	.07	2.61	20,417	38,000	None.
10	9.6	3.99	3.90	.09	2.55	56,251	37,000	None.
17	9.9	4.04	3.95	.09	2.60	38,386	40,000	None.
24	10	4.11	3.98	.13	2.63	38,885	40,000	None.
Oct. 1	9.6	3.99	3.98	.01	2.63	46,102	40,000	None.
8	9.6½	4.00	3.98	.02	2.63	61,140	45,000	None.
15	9.11½	4.09	3.96	.13	2.61	19,950	45,000	None.
22	10.4½	4.19	4.04	.15	2.69	26,342	45,000	None.
29	9.11½	4.09	3.98	.11	2.63	55,550	45,000	None.
Nov. 5	10.1½	4.14	3.95	.19	2.60	36,365	40,000	None.
12	10.3	4.16	3.94	.22	2.59	25,470	45,000	None.
19	10.3	4.16	3.94	.22	2.59	30,358	45,000	None.
25	10.3	4.16	3.94	.22	2.59	22,295	45,000	None.
Dec. 3	10.2½	4.15	3.92	.23	2.57	29,178	37,000	None.
10	10	4.11	3.86	.25	2.51	14,765	37,000	None.
17	10	4.11	3.77	.34	2.42	24,360	33,000	None.
23	10.0½	4.12	3.70	.42	2.35	6,096	33,000	3,000
30	10.3	4.16	3.67	.49	2.32	4,362	22,000	8,000

Sugar quotations—Continued.

1907.

Date.	Hamburg beets (sterling).	Hamburg beets (sterling), parity centrifugal, New York.	Cuban centrifuga- l (duty paid).	Below par- ity of Europe against 34 cents dif- ferential.	Cuban price, C. & F.	Receipts all sugars Atlantic ports (tons).	Require- ments of United States refineries shown by meltings (tons).	Receipts in Cuba from interior ports (tons).
Jan. 3	8.94	3.84	3.56	0.28	2.21	23,438	20,000	27,000
10	8.94	3.84	3.56	.28	2.21	28,119	27,000	31,000
17	8.94	3.84	3.50	.34	2.15	31,855	27,000	45,000
24	8.94	3.84	3.48	.36	2.13	30,829	28,000	56,000
31	8.74	3.80	3.48	.32	2.13	23,992	28,000	61,000
Feb. 7	8.94	3.84	3.42	.42	2.07	36,524	28,000	61,000
14	8.10½	3.85	3.42	.43	2.07	40,727	35,000	65,000
21	8.11½	3.87	3.38	.49	2.03	60,594	35,000	65,000
28	9.0	3.88	3.42	.46	2.07	63,640	35,000	65,000
Mar. 7	9.04	3.89	3.51	.38	2.16	54,464	35,000	62,000
14	9.1½	3.91	3.50	.41	2.15	47,422	35,000	60,000
21	9.2½	3.92	3.51	.41	2.16	63,896	40,000	60,000
28	9.3	3.93	3.58	.35	2.23	33,125	40,000	61,000
Apr. 4	9.3	3.93	3.61	.32	2.26	38,766	34,000	60,000
11	9.3	3.93	3.735	.195	2.385	36,188	37,000	39,000
18	9.5½	3.98	3.765	.215	2.415	57,620	39,000	37,000
25	9.5½	3.98	3.73	.25	2.38	76,891	39,000	37,000
May 2	9.6	3.99	3.765	.225	2.415	40,898	39,000	34,000
9	10.04	4.12	3.83	.29	2.48	64,787	41,000	29,000
16	9.10½	4.07	3.86	.21	2.51	46,691	34,000	22,000
23	9.11½	4.09	3.92	.17	2.57	65,985	42,000	16,000
29	10.0	4.11	3.90	.21	2.55	33,369	41,000	10,000
June 6	9.11½	4.09	3.84	.25	2.49	64,437	41,000	7,000
13	9.9	4.04	3.73	.31	2.38	70,439	43,000	4,000
20	9.8½	4.03	3.71	.32	2.36	42,550	41,000	2,000
27	9.9	4.04	3.875	.165	2.525	61,632	45,000	2,000
July 3	9.6½	4.00	3.835	.165	2.485	22,135	46,000	1,000
11	9.5½	3.98	3.835	.145	2.485	14,983	46,000	1,000
18	9.9	4.04	3.835	.205	2.485	19,592	47,000	1,000
25	9.9	4.04	3.94	.10	2.59	13,840	47,000	None.
Aug. 1	9.9	4.04	3.94	.10	2.59	15,629	46,000	None.
8	9.9	4.04	3.94	.10	2.59	31,887	44,000	None.
15	9.9	4.04	3.89	.15	2.54	27,958	39,000	None.
22	9.11½	4.09	3.89	.20	2.54	47,971	37,000	None.
29	9.11½	4.09	3.92	.17	2.57	40,425	40,000	None.
Sept. 5	10.3	4.16	3.92	.24	2.57	35,619	36,000	None.
12	10	4.11	3.95	.16	2.60	18,536	41,000	None.
19	9.11½	4.09	3.95	.14	2.60	25,397	41,000	None.
26	10.0	4.11	3.95	.16	2.60	30,071	41,000	None.
Oct. 3	9.9	4.04	3.95	.09	2.60	39,560	41,000	None.
10	9.8½	4.03	3.95	.08	2.60	43,931	41,000	None.
17	9.4½	3.96	3.90	.06	2.55	16,300	41,000	None.
24	9.3	3.93	3.90	.03	2.55	47,485	41,000	None.
31	9.3	3.93	3.90	.03	2.55	34,586	41,000	None.
Nov. 7	9.4½	3.96	3.90	.06	2.55	31,293	35,000	None.
14	9.5½	3.98	3.80	.18	2.45	27,415	33,000	None.
21	9.4½	3.96	3.70	.26	2.35	6,538	33,000	None.
27	9.3	3.93	3.625	.305	2.275	11,754	33,000	None.
Dec. 5	9.5½	3.98	3.625	.355	2.275	40,455	28,000	None.
12	9.9	4.04	3.85	.19	2.50	19,863	33,000	None.
19	9.8½	4.03	3.85	.18	2.50	15,988	33,000	None.
26	9.10½	4.07	3.85	.22	2.50	11,612	30,000	1,000

1906.

Jan. 4	8.2½	3.70	3.625	0.075	2.275	7,307	20,000	6,000
11	8.3	3.71	3.75	+ .04	2.40	9,218	25,000	2,000
18	8.3	3.71	3.625	.085	2.275	13,786	27,000	11,000
25	8.3	3.71	3.56	.15	2.21	16,463	20,000	23,000
Feb. 1	8.0½	3.67	3.50	.17	2.15	35,243	30,000	37,000
8	8	3.66	3.36	.30	2.01	20,711	30,000	42,000
15	8.0½	3.67	3.36	.31	2.01	54,272	25,000	50,000
21	8.1½	3.69	3.36	.33	2.01	55,707	32,000	47,000
Mar. 1	8.3	3.71	3.39	.32	2.04	55,102	33,000	47,000
8	8.3½	3.73	3.44	.29	2.09	36,308	35,000	56,000
15	8.6	3.77	3.52	.25	2.17	52,295	37,000	58,000
22	8.6	3.77	3.56	.21	2.21	40,864	39,000	53,000
29	8.4½	3.74	3.50	.24	2.15	22,498	39,000	54,000
Apr. 5	8.5½	3.76	3.55	.21	2.20	68,104	33,000	51,000
12	8.6	3.77	3.48	.29	2.13	65,104	33,000	48,000
19	8.5½	3.76	3.42	.34	2.07	48,403	33,000	45,000
26	8.4½	3.74	3.375	.365	2.025	66,386	35,000	48,000
May 3	8.2½	3.70	3.48	.22	2.13	47,655	39,000	52,000

Sugar quotations—Continued.

1906—Continued.

Date.	Hamburg beets (sterling).	Hamburg beets (sterling), parity centrifugal, New York.	Cuban centrifugal (duty paid).	Below par- ity of Europe against 34 cents dif- ferential.	Cuban price, C. & F.	Receipts all sugars Atlantic ports (tons).	Require- ments of United States refineries shown by meltings (tons).	Receipts in Cuba from interior ports (tons).
May 10	8.1½	3.69	3.48	0.21	2.13	49,791	39,000	45,000
17	8	3.66	3.42	.24	2.07	40,635	39,000	42,000
24	7.9½	3.61	3.42	.19	2.07	60,596	41,000	29,000
31	8.0½	3.67	3.45	.22	2.10	35,120	41,000	17,000
June 7	7.11½	3.64	3.47	.17	2.12	39,958	46,000	16,000
14	8.2½	3.70	3.50	.20	2.15	36,540	46,000	15,000
21	8.2½	3.70	3.50	.20	2.15	56,125	46,000	7,000
28	8.2½	3.70	3.61	.09	2.26	33,626	46,000	5,000
July 5	8.4½	3.74	3.75	+ .01	2.40	46,435	46,000	1,000
12	8.4½	3.74	3.72	.02	2.37	15,052	40,000	1,000
19	8.5½	3.76	3.72	.04	2.37	52,323	46,000	1,000
26	8.6½	3.78	3.75	.03	2.40	45,481	47,000	2,000
Aug. 2	8.9½	3.84	3.80	.04	2.45	45,432	47,000	2,000
9	9.1½	3.91	3.875	.035	2.525	31,443	48,000	2,000
16	8.11½	3.87	3.875	+ .005	2.525	42,331	47,000	2,000
23	9.3½	3.95	3.94	.01	2.59	28,225	49,000	2,000
30	9.5½	3.98	4	+ .02	2.65	40,946	49,000	2,000
Sept. 6	9.6½	4	4	.00	2.65	21,599	42,000	None.
13	10	4.11	4.09	.02	2.74	39,360	48,000	None.
20	9.6	3.99	4.09	+ .10	2.74	28,382	48,000	None.
27	9.10½	4.07	4.06	.01	2.71	37,439	48,000	None.
Oct. 4	9.3½	3.93	4	+ .07	2.65	22,488	48,000	None.
11	9.6	3.99	4	+ .01	2.65	36,194	48,000	None.
18	9.4½	3.96	4	+ .04	2.65	53,096	48,000	None.
25	8.10½	3.85	4	+ .15	2.65	13,560	46,000	None.
Nov. 1	8.7½	3.80	3.88	+ .08	2.53	39,098	42,000	None.
8	8.9½	3.84	3.81	.03	2.46	11,878	20,000	None.
15	8.9	3.82	3.81	.01	2.46	25,656	30,000	None.
22	8.9½	3.84	3.81	.03	2.46	40,032	32,000	None.
28	9	3.88	3.84	.04	2.49	35,307	32,000	None.
Dec. 6	9.1½	3.91	3.84	.07	2.49	37,144	25,000	None.
13	8.10½	3.85	3.875	+ .025	2.525	7,580	32,000	2,000
20	8.9½	3.84	3.875	+ .035	2.525	36,063	32,000	9,000
27	8.11½	3.87	3.58	.29	2.23	24,290	27,000	23,000

1905.

Jan. 5	15	5.21	4.875	0.335	3.525	24,465	27,000	.....
12	15.11½	5.41	5.06	.35	3.71	20,711	30,000	32,000
19	16.3½	5.49	5.24	.25	3.89	30,996	30,000	34,000
26	15.11½	5.41	5.25	.16	3.90	37,500	30,000	43,000
Feb. 2	15.8½	5.35	5.25	.10	3.90	33,961	30,000	51,000
9	15.2½	5.25	4.94	.31	3.59	49,522	31,000	59,000
16	15.1½	5.23	4.94	.29	3.59	55,904	31,000	59,000
23	15.4½	5.29	5.06	.23	3.71	58,744	33,000	58,000
Mar. 2	15.4½	5.29	5.125	.265	3.775	30,509	33,000	53,000
9	15.0½	5.22	5.06	.16	3.71	54,319	33,000	52,000
16	14.7½	5.12	4.88	.24	3.53	50,219	33,000	47,000
23	14.5½	5.08	4.84	.24	3.49	51,140	28,000	44,000
30	14.6½	5.11	4.81	.30	3.46	60,152	23,000	42,000
Apr. 6	14.6	5.09	4.94	.15	3.59	29,711	29,000	38,000
13	14	4.99	4.88	.11	3.53	44,939	30,000	34,000
20	12.11½	4.75	4.72	.03	3.37	25,894	31,000	27,000
27	12.9½	4.72	4.625	.095	3.275	39,959	20,000	22,000
May 4	12.9	4.71	4.625	.085	3.275	29,802	36,000	18,000
11	12	4.54	4.50	.04	3.15	31,512	30,000	15,000
18	11.6	4.43	4.34	.09	2.99	23,661	36,000	12,000
25	12.3½	4.60	4.375	.225	3.025	46,047	36,000	10,000
June 1	11.10½	4.51	4.375	.135	3.025	18,814	30,000	9,000
8	11.11½	4.53	4.375	.155	3.025	26,908	39,000	8,000
15	11.9½	4.50	4.25	.25	2.90	21,806	39,000	7,000
22	11.10½	4.51	4.31	.20	2.96	38,397	39,000	6,000
29	11.2½	4.36	4.25	.11	2.90	30,641	39,000	6,000
July 6	10.11½	4.31	4.19	.12	2.84	29,313	20,000	6,000
13	9.9	4.04	4.00	.04	2.65	29,225	39,000	5,000
20	11.0½	4.33	4.00	.33	2.65	39,023	38,000	5,000
27	11.1½	4.35	4.06	.29	2.71	29,600	38,000	5,000
Aug. 3	10.1½	4.14	4.06	.08	2.71	24,684	39,000	2,000
10	10.3½	4.18	4.125	.055	2.775	37,148	42,000	1,000
17	9.10½	4.07	4.125	+ .055	2.775	54,608	44,000	None.
24	9.3	3.93	4.00	+ .07	2.65	34,513	48,000	None.
31	8.8½	3.81	4.00	+ .19	2.65	35,636	48,000	None.

Sugar quotations—Continued.

1905—Continued.

Date	Hamburg beets (sterling).	Hamburg beets (sterling), parity centrifugal, New York.	Cuban centrifugal (duty paid).	Below par- ity of Europe against 34 cents dif- ferential.	Cuban price, C. and F.	Receipts all sugars Atlantic ports (tons).	Require- ments of United States refineries shown by meltings (tons).	Receipts in Cuba from interior ports (tons).
Sept. 7	8.8½	3.81	4.00	+0.19	2.65	56,360	40,000	None.
14	8.6	3.77	3.875	+ .105	2.525	39,454	48,000	None.
21	8.6½	3.78	3.625	.155	2.275	35,906	48,000	None.
28	8.8½	3.81	3.69	.12	2.34	69,088	48,000	None.
Oct. 5	8.9	3.82	3.61	.21	2.26	59,531	48,000	None.
12	8.9	3.82	3.625	.195	2.275	61,458	46,000	None.
19	8.3½	3.73	3.58	.15	2.23	39,504	40,000	None.
26	8.3½	3.73	3.50	.23	2.15	31,180	40,000	None.
Nov. 2	8.0½	3.67	3.50	.17	2.15	34,300	40,000	None.
9	8	3.66	3.44	.22	2.09	32,664	25,000	None.
16	8.3	3.71	3.44	.27	2.09	26,557	32,000	None.
23	8.5½	3.76	3.55	.21	2.20	33,785	32,000	2,000
29	8.3½	3.73	3.56	.17	2.21	25,169	30,000	5,000
Dec. 7	8.3½	3.73	3.56	.17	2.21	13,115	20,000	None.
14	8.3	3.71	3.625	.085	2.275	7,717	30,000	None.
21	8.1½	3.69	3.625	.065	2.275	16,775	25,000	5,000
28	8.1½	3.69	3.625	.065	2.275	37,209	20,000	3,000

1904.

Jan. 7	8.3½	3.75	3.47	0.28	2.12	27,473	20,000	11,000
14	8.1½	3.72	3.35	.37	2	48,639	28,000	12,000
21	8	3.69	3.31	.38	1.96	18,691	28,000	25,000
28	7.9	3.63	3.31	.32	1.96	23,689	28,000	33,000
Feb. 4	7.11½	3.68	3.35	.33	2	46,228	29,000	25,000
11	7.9½	3.64	3.35	.29	2	45,872	30,000	44,000
18	7.11½	3.68	3.35	.33	2	33,965	35,000	44,000
25	8	3.69	3.38	.31	2.03	30,401	35,000	45,000
Mar. 3	8.2½	3.73	3.44	.29	2.09	31,825	34,000	48,000
10	8.2½	3.73	3.44	.29	2.09	45,113	34,000	49,500
17	8.3½	3.75	3.50	.25	2.15	43,503	33,000	52,000
24	8.6	3.79	3.60	.19	2.25	36,622	32,000	54,000
31	8.6½	3.80	3.67	.13	2.32	42,318	36,000	54,000
Apr. 7	8.6	3.79	3.67	.12	2.32	40,239	36,000	36,000
14	8.6	3.79	3.61	.18	2.26	49,325	39,000	30,000
21	8.7½	3.82	3.54	.28	2.19	49,030	39,000	33,000
28	8.10½	3.88	3.70	.18	2.35	59,949	37,000	29,000
May 5	8.11½	3.89	3.73	.16	2.38	42,692	38,000	28,000
12	9.3	3.96	3.75	.21	2.40	52,669	39,000	25,000
19	9.4½	3.99	3.88	.11	2.53	27,404	39,000	23,000
26	9.6	4.01	3.95	.06	2.60	53,495	39,000	13,000
June 2	9.3½	3.97	3.95	.02	2.60	46,299	30,000	14,000
9	9.1½	3.93	3.875	.055	2.525	47,238	39,000	12,000
16	9.0½	3.91	3.84	.07	2.49	23,293	37,000	10,000
23	9.3	3.96	3.94	.02	2.59	46,057	37,000	7,000
30	9.4½	3.99	3.94	.05	2.59	21,222	40,000	6,000
July 7	9.6	4.01	3.94	.07	2.59	32,290	28,000	6,000
14	9.7½	4.04	3.94	.10	2.59	35,714	40,000	4,000
21	9.8½	4.06	3.94	.12	2.59	20,380	40,000	4,000
28	9.8½	4.06	3.94	.12	2.59	19,633	40,000	4,000
Aug. 4	10.1½	4.15	4.06	.09	2.71	42,863	42,000	1,000
11	10.5½	4.22	4.125	.095	2.775	21,874	42,000	1,000
18	10.5½	4.22	4.25	+ .03	2.90	34,222	44,000	None.
25	10.6½	4.24	4.25	+ .01	2.90	35,540	44,000	None.
Sept. 1	10.9	4.28	4.31	+ .03	2.96	39,656	44,000	None.
8	10.9	4.28	4.31	+ .03	2.96	33,695	32,000	None.
15	10.7½	4.26	4.31	+ .05	2.96	68,720	46,000	1,000
22	10.11½	4.33	4.25	.08	2.90	45,879	46,000	1,000
29	11.2½	4.38	4.31	.07	2.96	64,902	46,000	None.
Oct. 6	11.1½	4.37	4.29	.08	2.94	29,656	46,000	1,000
13	10.9½	4.29	4.25	.04	2.90	50,588	46,000	None.
20	11.0½	4.35	4.25	.10	2.90	42,497	46,000	None.
27	11.0½	4.35	4.22	.13	2.87	48,994	42,000	None.
Nov. 3	12.6½	4.68	4.41	.27	3.06	26,149	42,000	None.
10	13.4½	4.86	4.41	.45	3.06	51,391	42,000	None.
17	14.6	5.12	4.625	.495	3.275	20,866	42,000	None.
23	14.1½	5.04	4.75	.29	3.40	16,004	36,000	None.
Dec. 1	13.8½	4.95	4.75	.20	3.40	44,546	27,000	None.
8	14.5½	5.08	4.75	.33	3.40	9,159	27,000	None.
15	14.0	4.99	4.875	.115	3.525	32,302	26,000	3,000
22	14.0½	5.00	4.875	.125	3.525	6,749	27,000	9,000
29	14.4½	5.06	4.875	.185	3.525	17,420	27,000	16,000

BEFORE THE SPECIAL COMMITTEE OF THE HOUSE OF REPRESENTATIVES, ON THE INVESTIGATION OF THE AMERICAN SUGAR REFINING CO. AND OTHERS, HON. THOMAS W. HARDWICK, CHAIRMAN.

INFORMATION REQUESTED BY THE COMMITTEE TO BE SUBMITTED BY THE GREAT WESTERN SUGAR CO. IN CONNECTION WITH THE TESTIMONY OF CHESTER S. MOREY.

I. The amount of the original capital stock of each of the following-named companies is set opposite the name of each such company, as follows:

The Eaton Sugar Co.....	\$350, 000
The Greeley Sugar Co.....	500, 000
The Longmont Sugar Co.....	500, 000
The Fort Collins-Colorado Sugar Co.....	1, 000, 000
The Windsor Sugar Co.....	350, 000
The Great Western Sugar Co. (Loveland, Colo.).....	1, 000, 000

II. At the time of the purchase and consolidation of the properties of The Eaton Sugar Co., The Greeley Sugar Co., The Longmont Sugar Co., The Fort Collins-Colorado Sugar Co., The Windsor Sugar Co., and The Great Western Sugar Co. (Loveland, Colo.), by and in The Great Western Sugar Co. of New Jersey, the authorized capital stock of each of said companies was as follows:

The Eaton Sugar Co.....	\$750, 000
The Greeley Sugar Co.....	750, 000
The Longmont Sugar Co.....	1, 000, 000
The Fort Collins-Colorado Sugar Co.....	1, 250, 000
The Windsor Sugar Co.....	750, 000
The Great Western Sugar Co. (Loveland, Colo.).....	1, 000, 000

III. The Great Western Sugar Co. of New Jersey issued, in payment for the property and assets of the following-named companies, respectively, its own capital stock as follows:

To—	Shares.	
	Preferred.	Common.
The Eaton Sugar Co.....	6, 500	6, 500
The Greeley Sugar Co.....	7, 000	7, 000
The Longmont Sugar Co.....	10, 000	10, 000
The Fort Collins-Colorado Sugar Co.....	12, 500	12, 500
The Windsor Sugar Co.....	7, 500	7, 500
The Great Western Sugar Co. (Loveland, Colo.)	10, 000	10, 000

The Great Western Sugar Co. of New Jersey, at the time of the consolidation of the six companies last aforesaid and when it purchased the properties and assets of those companies, assumed, agreed to pay, and did afterwards pay all the debts and liabilities of each of said companies then outstanding.

IV. The original capital stock of each of the following-named companies, whose plants were respectively constructed for and on behalf of the Great Western Sugar Co. of New Jersey, is below set opposite the name of each such company:

Billings Sugar Co.....	\$750, 000
The Sterling Sugar Co.....	750, 000
The Morgan County Construction Co. (Fort Morgan and Brush factories) .	1, 000, 000
The Scottsbluff Sugar Co	1, 000, 000

Thereafter the capital stock of said last-named companies was increased as follows:

Billings Sugar Co. to.....	\$1, 250, 000
The Sterling Sugar Co. to.	900, 000
The Morgan County Const-ru-ction Co. to.....	1, 400, 000
The Scottsbluff Sugar Co. to.....	1, 250, 000

V. The Great Western Sugar Co. of New Jersey issued to the stockholders of Billings Sugar Co., for the stock of that company, 12,500 shares of its preferred stock and 12,500 shares of its common stock; to the stockholders of the Morgan County Construction Co. (Fort Morgan and Brush factories), for the stock of that company, 14,000 shares of its preferred stock and 14,000 shares of its common stock.

VI. The Great Western Sugar Co. of New Jersey was an original subscriber for all the stock of the Scottsbluff Sugar Co., except the five shares subscribed for by the directors, and paid for the same in cash at par and is now the owner of the same.

VII. The Great Western Sugar Co. of New Jersey issued in payment for the property and assets of the Sterling Sugar Co. 9,730 shares of its preferred stock and 9,730 shares of its common stock.

VIII. The stock record book of the Fort Collins-Colorado Sugar Co. shows that on October 15, 1903, there were issued to "H. O. Havemeyer et al." 7,388 shares of the capital stock of that company, and that at the time of the purchase of the property of that company by the Great Western Sugar Co. of New Jersey there stood upon the books of that company in the name of H. O. Havemeyer 1,053 shares.

The stock books of the Fort Collins-Colorado Sugar Co. do not show that the American Sugar Refining Co. was ever the owners of any shares of stock in that company.

IX. The actual cost of all farm lands at the time of purchase, either by the original companies or by the Great Western Sugar Co. of New Jersey, and now owned (May 31, 1911) by the last-named company, outside of factory sites (not present value), plus actual cost of all improvements made since purchase, is \$513,811.98. This figure includes not only the actual cost of the lands themselves, but the actual cost of irrigation water, and also the actual cost of permanent improvements in the nature of houses, barns, and other structures.

Respectfully submitted.

R. N. MARSH, Auditor.

JULY 18, 1911.

HARBOR SPRINGS, MICH., July 21, 1911.

THOS. W. HARDWICK, Chairman:

Above report as shown by our records and certified to by our auditor I trust will give your committee the information asked for.

Very respectfully, yours,

A. MOREY.

THE AMERICAN SUGAR REFINING CO.,
New York, July 28, 1911.

HON. THOMAS W. HARDWICK,
Chairman Sugar Investigating Committee,
House Committee Building, Washington, D. C.

DEAR SIR: In addition to matters covered in my previous letter, I was asked the number of independent refineries which had gone out of business. As to very much of this matter I have no personal knowledge; but the following is correct so far as I am able to ascertain.

The refinery of the Havemeyer Sugar Refining Co., at Greenpoint, Brooklyn, had been burned down in June, 1887, before the formation of the trust. It was rebuilt in 1888 with a capacity of over 1,500,000 pounds a day and was thereafter operated for a considerable period. It was not dismantled until 1906, when the valuable part of its machinery and apparatus were transferred to and incorporated in the new refinery at Chalmette, La. The refinery of the Dick & Meyer Co., at Brooklyn, was operated until 1889, when it was destroyed by fire. The refinery of the North River Sugar Refining Co., at New York, was operated until 1888, when the land on which it stood was condemned by the City of New York for park purposes; the refinery was then necessarily dismantled and its former site is now included in what is known as "Corlears Hook Park." The refineries of Moller, Sierck & Co. and Oxnard Brothers Co., at Brooklyn, and Bay State Sugar Refinery Co., were discontinued in the year 1888, and the refineries of the Boston Sugar Refining Co. and of the Forest City Sugar Refining Co., at Portland, Me., were discontinued in the year 1889, because they were poorly equipped, in bad repair, and badly located, and could not be operated at a profit. The refinery of the St. Louis Sugar Refining Co. was closed down in 1888, but remained intact until 1899, when its machinery and apparatus were removed to and used in the enlargement of the Louisiana Refinery in New Orleans. The refineries of the DeCastro & Donner Sugar Refining Co., at Brooklyn, were closed down about the year 1891.

In 1887, or shortly subsequent thereto, the following consolidations took place: The refinery of the Brooklyn Sugar Refining Co. with that of the Havemeyers & Elder Sugar Refining Co., both in Brooklyn; the refineries of the F. O. Matthiessen & Wiechers Sugar Refining Co. and the Havemeyer Sugar Refining Co., both in Jersey City; the refineries of the Standard Sugar Refinery and the Continental Sugar Re-

finery in Boston, and the refineries of the Louisiana Sugar Refining Co. and the Planters' Sugar Refining Co. in New Orleans. These four refineries have since been known as the Havemeyers & Elder Refinery in Brooklyn, the Matthiessen & Wiechers Refinery in Jersey City, the Standard Sugar Refinery in Boston, and the Louisiana Sugar Refinery in New Orleans. No reduction in capacity resulted from any of these consolidations—on the contrary, the result of each such consolidation was an enlarged refinery whose capacity was greater than the combined capacities of the two refineries consolidated had formerly been.

Though I can not speak from personal knowledge I am informed by some of the technical men connected with the company that the aggregate daily melting capacities and the aggregate annual outputs of refined sugars of the said four consolidated refineries, together with those of the other refineries controlled by the trustees and which were in operation during the period of the trust, were at all times nearly if not quite equal to the total melting capacities and the total annual outputs of all the refineries of the 17 concerns which were in operation in August, 1887, and that deducting the refinery of the Dick & Meyer Co., burned in 1889, and that of the North River Sugar Refining Co., replaced by a public improvement in 1888, the combined melting capacities and annual outputs of the refineries operated as aforesaid by the said trustees after 1887 was at all times at least equal to those of all the combined refineries of the said 17 concerns in August, 1887.

The refinery formerly of the American Sugar Refinery Co., of California, was leased to the Western Sugar Refining Co. and was held by said company as a reserve refinery until 1906, when it was destroyed by fire.

In 1896 the refinery of the E. C. Knight Co. and that of the Franklin Sugar Refining Co. were consolidated and the E. C. Knight Co. retired from business; also the refinery of the Delaware Sugar House and that of the Spreckles Sugar Refining Co. were consolidated and the Delaware Sugar House retired from business. Neither of the said consolidations resulted in any diminution of capacity. In February, 1897, the Franklin Sugar Refining Co. ceased to operate its refinery and the same has since been held as a reserve refinery. All the foregoing refineries were in Philadelphia.

The Louisiana Sugar Refinery at New Orleans was operated down to June, 1909, when its operation was discontinued because the American Sugar Refining Co. had built and placed in operation a new, larger, and much better equipped refinery at Chalmette, La. Since then said Louisiana Refinery has been held as a reserve refinery. The refinery of the Baltimore Sugar Refining Co., as already stated, was burned down in 1894, but was then rebuilt by the company. In 1897 the refinery of the United States Sugar Refining Co. was acquired before its completion, was never finished, and never operated.

Respectfully, yours,

WASHINGTON B. THOMAS.

NEW YORK, July 27, 1911.

HON. T. W. HARDWICK,

Chairman Sugar Investigating Committee, Washington, D. C.

DEAR SIR: I inclose the following additional information requested by your committee:

1. In regard to the salary paid to Mr. W. W. Harrison of Philadelphia, Mr. Harrison was paid from July 1, 1892, to the month of April, 1900, a yearly salary of \$20,000; from April, 1900, to April, 1901, no salary whatever was paid to him; from April 1, 1901, to January 1, 1911, he received a yearly salary of \$12,000. Since the last date he has not been connected with the company. Until 1897, up to which time the Franklin Sugar Refining Co. was in actual operation, he acted as superintendent of that refinery, and from 1897 to January 1, 1911, he had an office at the Franklin Sugar Refinery in Philadelphia.

2. The request was made that the year of rebuilding the Baltimore refinery, after it had been burned, be given. The fire occurred in the year 1894, and the refinery was rebuilt substantially immediately thereafter.

3. The minute books of the company show that the stock of the Spreckels Sugar Refining Co. of Philadelphia was purchased for \$10,000,000 of stock of the American Sugar Refining Co., one-half preferred and one-half common. I believe this is already shown in the testimony before your committee.

4. In regard to the advertisement which has appeared in Willett & Gray's Weekly Statistical Trade Journal, I find that the advertisement was first inserted on April 23, 1891, having been put in by Mr. John E. Searles, secretary of the American Sugar Refining Co. at that time, and was paid for at \$400 per annum from that date as an advertisement at the regular rates charged by Willett & Gray.

Beginning September, 1902, the rate of \$1,000 per annum has been paid for subscription and advertisement in that paper. The subscription, in addition to the regular advertising rates, covers New Bureau information, including a great amount of market information by cable and wire, as well as many statistics which are not paid for except as above.

I also find in the files of the company a pamphlet entitled "The Sugar Insect—Acarus Sacchari, Found in Raw Sugar," printed in 1891, apparently by E. C. Knight & Co., sugar refiners of Philadelphia, which contains the paragraphs as printed in Willett & Gray's circular. I inclose this pamphlet for the information of your committee. I am informed by the technical men of our company that this insect actually exists in certain forms of raw sugar.

5. Request was made that statistics of the total production of cane and beet sugar in the world for a number of years past be given. Willett & Gray's Journal under date of January 5, 1911, gives a table showing the sugar crops of the world for the years from 1908 to 1910, inclusive. This table is to be found in the record of your committee at pages 1571 and 1572.

6. In Mr. Atkins's testimony before your committee, at page 176, is found a table giving the average prices of raw and refined sugar from the year 1895 to 1910. This covers the period for the last 10 years which I was asked to give.

7. I inclose a list of stockholders of the company who reside in Louisiana. In view of the fact that this is a matter which the company considers of a private nature, I would respectfully request that this list be inspected by your committee, but not made a part of the printed record.

8. I inclose 10 copies of the condensed balance sheet of the company, showing the financial condition of the company as of December 31, 1910, certified to by Church & McCulloh, certified public accountants. This balance sheet was sent to all the stockholders of the company.

9. Request was made that English prices of refined sugars at the present time and six months ago be given. Willett & Gray's Trade Journal of January 19, 1911, gives the London price on January 4, 1911, as follows: "London granulated 14s. 7½d. net." The same trade journal under date of July 20, 1911, quotes the London price as of July 12 of refined sugar as follows: "London granulated 18s. ½d. net."

10. The request was made for a certified copy of the charter of the American Sugar Refining Co., and I inclose herewith a copy of the certificate of incorporation of the American Sugar Refining Co., attached to which is copy of the certification by the secretary of state of New Jersey, as there is not at hand a copy available with the original certification attached.

Respectfully, yours,

WASHINGTON B. THOMAS.

Louisiana stockholders.

Names.	Residence.	Shares.	
		Common.	Preferred.
E. Allgeyer & Co.....	922 Gravier Street, New Orleans, La..	25	.....
Frank A. Ames.....	Post-office drawer, 432, New Orleans, La.	30	49
Haward C. Bishop.....	Cinclare, La.....	.....	10
William Patrick Burke.....	417 Magazine Street, New Orleans, La.	17	.....
D. A. Chaffraix.....	Citizens Bank of Louisiana, New Orleans, La.	50	1,518
Isaac Dolgado.....	203 North Peter Street, New Orleans, La.	500	.....
Mrs. Mary Burke Douglas.....	112 Camp Street, New Orleans, La....	17	.....
Miss Florence Gill.....	Abita Springs, St. Tammany Parish, La.	34	.....
Florence H. Kells.....	429 Walnut Street, New Orleans, La..	12	.....
Mrs. Nannie B. Kenner.....	1019 Carondelet Street, New Orleans, La.	.....	526
John Laurans.....	107 North Rampart Street, New Orleans, La.	100	.....
Alphonse A. Lelong.....	Citizens Bank of Louisiana, New Orleans, La.	50	300
Ferdinand B. Lemann.....	Donaldsville, La.....	1	1
Mrs. Stella Hirsch Lemann.....	610 St. Charles Avenue, New Orleans, La.	4	.....
John B. Levert.....	802 Perdido Street, New Orleans, La..	100	100
Chas. B. Maginnis.....	703 Magazine Street, New Orleans, La.	100	.....
Mrs. Ruth N. Maxwell.....	Care Mrs. Leon Ryder Maxwell, Newcomb College, New Orleans, La.	5	.....
Thomas McDermott.....	225 North Peter Street, New Orleans, La.	710	.....

Louisiana stockholders—Continued.

Name.	Residence.	Shares.	
		Common.	Preferred.
Betty B. Miles.....	33 North Peter Street, New Orleans, La.	6	6
Linda Miles.....	do.....	6	6
Emile N. Morvant.....	Thibodaux, La.....	50	50
Mrs. Jennie R. Owen.....	639 Esplanade Avenue, New Orleans, La.	10	
Mrs. Florence Kells Pierson.....	437 Walnut Street, New Orleans, La.	2	
Mrs. Alice B. Preston.....	Care Canal-Louisiana Bank & Trust Co., New Orleans, La.	43	43
G. Lucretius Robinson.....	Ponchatoula, La.....	3	1
Mrs. Caroline A. Rogers.....	Mrs. William M. Rhodes, 717 Hibernia Building, New Orleans, La.	100	
Isaac H. Stauffer.....	Care Stauffer, Eschleman & Co., 511 Canal Street, New Orleans, La.	22	
Isaac H. Stauffer and Miss Louise Marie Stauffer.	Mail to Isaac H. Stauffer, care Stauffer, Eschleman & Co., 511 Canal Street, New Orleans, La.		43
Miss Marie Louise Stauffer.....	Care Stauffer, Eschleman & Co., 511 Canal Street, New Orleans, La.	21	
William E. Stauffer.....	do.....	43	43
Clarence W. Taylor.....	Hibernia Bank & Trust Co., New Orleans, La.	400	
Wm. G. Vincent.....	2016 St. Charles Avenue, New Orleans, La.		200
Mrs. Janie D. Wardlaw.....	3704 Coliseum Street, New Orleans, La.	6	
J. Thornwell Witherspoon.....	132 North Peter Street, New Orleans, La.	100	
Mrs. Louise Woeste.....	1530 Aline Street, New Orleans, La....	20	
Total shares.....		2,587	2,896

Stockholders: Common, 31; preferred, 15.

NEW YORK, *July 28, 1911.*

HON. THOMAS W. HARDWICK,

Chairman Special Committee of the Sixty-second Congress for the Investigation of the Sugar Industry, Washington, D. C.

DEAR MR. HARDWICK: I beg to inclose herein the affidavit of Mr. Washington B. Thomas, covering as far as possible the additional information that you desired him to furnish your committee. With much respect,

Yours, very truly,

THOS. S. FULLER.

STATE OF MASSACHUSETTS,

County of Suffolk, ss:

Washington B. Thomas, being duly sworn, deposes and says:

In response to the request of the committee of Congress investigating the sugar industry, I have made diligent inquiry in order to determine what was the value of the Standard Sugar Refinery, formerly controlled by my father, Capt. Joseph B. Thomas, and located at Boston, Mass., which refinery was sold to the Sugar Refineries Co. at or about the time of its formation in 1887. I have been unable, after diligent search, to find any books kept by my father prior to the year 1889. I have inquired of Mr. T. L. Keppler, of Boston, who knew the property well at the time of its sale, and whom I consider a well-informed man upon the subject, and he informs me that it is his opinion that the physical value of the refinery in 1887 was about \$1,485,000; that the property was excellently located to ship its product by rail or water; that it was well equipped in all of its branches, had the best coal wharf and the largest raw-sugar wharf of any refinery in existence at that time; that it had a water frontage of 620 feet on one side, and on the opposite side a frontage to the same extent on the street.

As I have formerly said, I have been unable to find, after diligent search and inquiry, any books kept by my father prior to 1889. Mr. Hall, who was my father's bookkeeper, died many years ago, so that it has been impossible for me to ascertain what became of my father's books prior to 1889, if, indeed, he kept any. From the books which I have been able to find, it appears that on May 1, 1889, my father owned 13,412 shares of the Sugar Refining Co.'s certificates, and of this amount, prior to his death in 1891, he sold 8,412 certificates. At the time of his death he owned 2,500 shares of the preferred stock and 2,500 shares of the common stock of the American Sugar Refining Co.

The Thomas estate now owns 3,400 shares of the preferred stock and 34,530 shares of the common stock of the American Sugar Refining Co.
My personal holdings of the stock of the American Sugar Refining Co. amount to 3,700 shares of the common stock.

WASHINGTON B. THOMAS.

Subscribed and sworn to before me this 27th day of July, 1911.
[SEAL.] CHARLES C. DASEY,
Notary Public.
My commission expires April 3, 1914.

WASHINGTON B. THOMAS EXHIBIT.

CERTIFICATE OF INCORPORATION OF THE AMERICAN SUGAR REFINING CO., OF NEW JERSEY.

This is to certify that we, F. O. Matthiessen, John E. Searles, jr., H. O. Havemeyer, William Dick, and Theo. A. Havemeyer do hereby associate ourselves into a company under and by virtue of the provisions of an act of the legislature of New Jersey entitled "An act concerning corporations," approved April 7, 1875, and the several supplements thereto, and amendatory thereof, for the purposes hereinafter mentioned, and to that end we do by this our certificate set forth—

First. That the name we have assumed to designate such company and to be used in its business and dealings is the American Sugar Refining Co.

Second. That the place in this State where the business of such company is to be conducted is Jersey City, in the county of Hudson, in which the principal part of the business of such company within this State is to be transacted; that the principal place of business out of this State is to be situated in the city of Brooklyn, in the county of Kings, in the State of New York; that the States of Maine, Massachusetts, Connecticut, New York, Pennsylvania, Louisiana, Missouri, California, and Maryland are the other States of the United States in which it proposes to carry on operations, and that the objects for which said company is formed are the purchase, manufacture, refining, and sale of sugar, molasses, and melada, and all lawful business incidental thereto.

That the business which is to be carried on out of this State is a part of the purchase, manufacture, refining, and sale of sugar, molasses, and melada, and all the lawful business incidental thereto.

Third. That the total amount of the capital stock of said company is \$50,000,000, the number of shares into which the same is divided is 500,000, and the par value of each share is \$100.

That of this amount one-half will be general stock and one-half preferred stock, and that the holders of such preferred stock shall be entitled to receive from the surplus or net profits arising from the business of the corporation a fixed yearly dividend of 7 per cent payable semiannually on the 2d days of January and July in each year, before any dividend shall be set apart or paid on the said general stock.

Should the surplus or net profits arising from the business of the corporation prior to any dividend day be insufficient to pay the dividend upon preferred stock, such dividend shall be payable from future profits, and no dividend shall at any time be paid upon general stock until the full amount of 7 per cent per annum up to that time upon all the preferred stock shall have been paid or set apart. The holders of preferred stock shall be entitled to no dividends beyond the 7 per cent aforesaid.

The amount with which said company will commence business is \$11,000, all of which shall be general stock and which is divided into shares of the par value of \$100 each.

Fourth. The names and residences of the stockholders and the amount of share held by each are as follows, viz:

Names.	Residences.	Number of shares.
Theo. A. Havemeyer.....	Mahwah, N. J.....	20
William Dick.....	Brooklyn, N. Y.....	20
Jos. B. Thomas.....	Boston, Mass.....	20
F. O. Matthiessen.....	New York, N. Y.....	20
Jno. E. Searles, Jr.....	Brooklyn, N. Y.....	10
H. O. Havemeyer.....	Greenwich, Conn.....	10
Geo. C. Magoun.....	New York, N. Y.....	10

Fifth. The period at which said company shall commence is the 10th day of January, 1891, and the period at which it shall terminate is the 10th day of January, 1941.

Sixth. The directors of said company shall be classified in respect to the time for which they shall severally hold office in three classes. Each class shall contain as near as may be one-third of the whole number of directors. At the first election of directors the first class shall be elected for a term of one year, the second class for a term of two years, and the third class for a term of three years, and at each annual election after the first the successors to the class of directors whose term expires in that year shall be elected to hold office for the term of three years, so that the term of office of at least one class shall expire in each year.

In witness whereof we have hereunto set our hands and seals the 9th day of January, 1891.

F. O. MATTHIESSEN.	[L. S.]
JNO. E. SEARLES, Jr.	[L. S.]
H. O. HAVEMEYER.	[L. S.]
WM. DICK.	[L. S.]
THEO. A. HAVEMEYER.	[L. S.]

STATE OF NEW YORK, *City and County of New York*, ss:

Be it remembered that on this 9th day of January, A. D. 1891, before me, Frank K. Runyon, personally appeared Francis O. Matthiessen, John E. Searles, jr., Henry O. Havemeyer, Theodore A. Havemeyer, and William Dick, who I am satisfied are the persons named in and who acknowledged the foregoing certificate, and I, having first made known to them the contents thereof, they did each acknowledge that they signed, sealed, and delivered the same as their voluntary act and deed.

In witness whereof I have hereunto set my hand and affixed my official seal this 9th day of January, A. D. 1891.

FRANK K. RUNYON,
Master in Chancery of New Jersey.

Indorsed: Recorded in Hudson County (N. J.) clerk's office, January 9, 1891, in book 11 of clerk's record.

DENNIS McLAUGHLIN, *Clerk.*

Filed, January 10, 1891.

HENRY C. KELSEY, *Secretary of State.*

STATE OF NEW JERSEY,
DEPARTMENT OF STATE.

I, S. D. Dickinson, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of the certificate of incorporation of the American Sugar Refining Co., and the indorsements thereon, as the same is taken from and compared with the original filed in my office on the 10th day of January, A. D. 1891, and now remaining on file and of record therein.

In testimony whereof I have hereunto set my hand and affixed my official seal at Trenton, this 7th day of January, A. D. 1909.

[SEAL.]

S. D. DICKINSON, *Secretary of State.*

The American Sugar Refining Co. hereby certifies and sets forth that, pursuant to action of its directors and to action of its stockholders at the annual stockholders' meeting held on January 13, 1892, and with the assent in writing of stockholders owning at least two-thirds in value of the existing capital stock, it proposes to increase its capital of \$50,000,000, consisting of 250,000 shares of common and 250,000 shares of preferred stock, by the sum of \$25,000,000, to be divided into 125,000 shares of common and 125,000 shares of preferred stock, each for \$100.

In witness whereof the company has caused this certificate to be signed by its president under its corporate seal, and to be attested by its secretary, the 12th day of March, 1892.

[Corporate seal.]

H. O. HAVEMEYER, *President.*
JNO. E. SEARLES, Jr., *Secretary.*

STATE OF NEW YORK, *City and County of New York*, ss:

Henry O. Havemeyer and John E. Searles, jr., being duly sworn, say that said Henry O. Havemeyer is the president and said John E. Searles, jr., is the secretary and treasurer of the American Sugar Refining Co.; that the foregoing certificate has been signed by the said Henry O. Havemeyer, as president, attested by the said John E. Searles, jr., as secretary, and that the corporate seal of the company has been

thereto affixed in accordance with a resolution passed at the annual meeting of the stockholders of the company held at Jersey City on January 13, 1892, and with action of the directors of the company taken in pursuance thereof.

H. O. HAVEMEYER.
JNO. E. SEARLES, Jr.

Subscribed and sworn to before me this 12th day of March, 1892.

[SEAL.]

R. J. Fox,
*A Commissioner of Deeds for the State of New Jersey
in the State of New York, 111 Broadway, New York City.*

Indorsed: Filed March 12, 1892. Henry C. Kelsey, secretary of state.

STATE OF NEW JERSEY,
DEPARTMENT OF STATE.

I, S. B. Dickinson, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of certificate of increase of the capital stock of the American Sugar Refining Co., not including the assent of the stockholders thereto, and the indorsements thereon, as the same is taken from and compared with the original filed in my office on the 12th day of March, A. D. 1892, and now remaining on file therein.

In testimony whereof I have hereunto set my hand and affixed my official seal at Trenton, this 7th day of January, A. D. 1909.

[SEAL.]

S. B. DICKINSON,
Secretary of State.

THE AMERICAN SUGAR REFINING CO.—INCREASE OF CAPITAL STOCK—CERTIFICATE OF INCREASE.

This is to certify that the American Sugar Refining Co. is a corporation duly created and existing by and under the laws of the State of New Jersey; that the location of its principal office in New Jersey is at the corner of Essex and Washington Streets, in the city of Jersey City, county of Hudson; that the name of the agent therein, and in charge thereof, upon whom process against the corporation may be served, is Henry E. Niese; that on the 17th day of July, 1901, the board of directors of the company, at a meeting duly called, did resolve and declare that it was advisable that the capital stock of the company be increased \$15,000,000—that is to say, from \$75,000,000 to \$90,000,000, such increase to consist one-half of preferred stock and the other one-half of common stock, the preferred stock to correspond in all respects to the existing preferred stock of the company; and that a meeting of the stockholders should be called, and it was duly called, to be held at the company's office, in the city of Jersey City, on the 18th day of September, in the year 1901, at 12 m., to take action upon the resolution.

The said The American Sugar Refining Co. does hereby further certify that such meeting of the stockholders of the company so called was duly held on the said 18th day of September, in the year 1901, at the said office, and that at such meeting two-thirds in interest of each class of stockholders of the company having voting powers—that is to say, of the preferred stockholders and common stockholders—each voted in favor of such increase and in writing assented thereto, and the written assent of said stockholders is hereto appended.

In witness whereof the said corporation has caused this certificate to be signed by its president and secretary and its corporate seal to be hereto affixed, the 1st day of October, in the year 1901.

[CORPORATE SEAL.]

H. O. HAVEMEYER, *President.*
C. R. HEIKE, *Secretary.*

STATE OF NEW JERSEY, *County of Hudson, ss:*

Be it remembered that on this 2d day of October, A. D. 1901, before me, the subscriber, a notary public of New Jersey, personally appeared C. R. Heike, secretary of the American Sugar Refining Co., the corporation mentioned in and which executed the foregoing certificate, who being by me duly sworn, on his oath says that he is such secretary, and that the seal affixed to the said certificate is the corporate seal of said corporation, the same being well known to him; that Henry O. Havemeyer is president of said corporation and signed said certificate and affixed said seal thereto, and delivered said certificate by authority of the board of directors, and with the assent of at least two-thirds in interest of each class of stockholders of said corporation having voting powers as and for his voluntary act and deed, and the voluntary act and deed of said corporation in presence of deponent, who thereupon subscribed his name thereto as witness.

And he further says that the assent hereto appended is signed by at least two-thirds in interest of each class of the stockholders of said corporation having voting powers, either in person or by their several duly constituted attorneys in fact, thereunto duly authorized in writing.

C. R. HEIKE.

Subscribed and sworn to before me the day and year aforesaid.

[SEAL.]

EDWIN F. SMITH,
Notary Public, of New Jersey.

STOCKHOLDERS' ASSENT TO INCREASE.

We, the subscribers, being at least two-thirds in interest of each class of the stockholders of the American Sugar Refining Co. having voting powers, having at a meeting regularly called for the purpose, voted in favor of an increase of the capital stock of the company by the sum of \$15,000,000, that is to say, from \$75,000,000 to \$90,000,000, such increase to consist one half of preferred stock of the company, and the other half of common stock, the preferred stock to correspond in all respects to the existing preferred stock of the company, do now, pursuant to statute, hereby give our written assent to said increase.

Witness our hands this 18th day of October, A. D. 1901.

Stockholders.	Number of shares.	
	Common.	Preferred.
William Stubner.....	650	.....
Ralston F. Hooley (by Ralph W. Vincent, attorney).....	402	.....

(Here follows names of stockholders and number of shares.)

(Indorsed:) "Filed Oct. 3, 1901. George Wurts, Secretary of State."

STATE OF NEW JERSEY,
DEPARTMENT OF STATE.

I, S. D. Dickinson, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of certificate of increase of the capital stock of the American Sugar Refining Co. from \$75,000,000 to \$90,000,000, not including the signature of the stockholders assenting thereto, and the indorsement thereon, as the same is taken from and compared with the original filed in my office on the 3d day of October, A. D. 1901, and now remaining on file therein.

In testimony whereof I have hereunto set my hand and affixed my official seal at Trenton this 8th day of January, A. D. 1909.

[SEAL.]

S. D. DICKINSON,
Secretary of State.

THE AMERICAN SUGAR REFINING CO. AND ITS CONSTITUENT COMPANIES.

Profit and loss account for the year 1910.

CREDITS.

Profit from operations.....	\$3, 077, 143. 03
Interest on loans and deposits.....	398, 862. 08
Interest and dividends on investments.....	2, 273, 473. 22
Net profit realized upon investments.....	630, 823. 50
Total.....	6, 380, 301. 83

DEBITS.

Depreciation on plant and equipment.....	\$807, 967. 43
Dividends declared during 1910.....	6, 299, 958. 00
	7, 107, 925. 43
Charges in respect to settlements made in the year 1910 in suits and proceedings, as follows: With United States Government in re drawbacks.....	700, 000. 00
	7, 807, 925. 43
Amount deducted from surplus of former years.....	1, 427, 623. 60

*Condensed General balance sheet, Dec. 31, 1910.***ASSETS.**

Real estate and plant, including refineries, warehouses, cooperages, wharves and stables with their machinery and equipment, timber and other lands, owned in fee or through ownership of the entire capital stock of constituent companies, at cost less depreciation...	\$52,524,593.51
Investments, bonds, and stocks	21,397,391.42
Insurance fund investments.....	5,781,875.00
Merchandise and supplies, including raw and refined sugar, sirup, material in process of manufacturing, bone black, cooperage, horses and wagons, and other stock and supplies on hand.....	16,557,710.11
Prepaid accounts, insurance, taxes, etc.....	135,438.39
Loans.....	1,595,796.14
Accounts receivable.....	4,178,785.74
Accrued income, interest earned, and dividends declared, but not yet collected.....	461,449.52
Cash with trust companies, in banks and on hand.....	19,379,238.49
Total.....	122,012,278.32

LIABILITIES.

Capital stock:		
Preferred.....	\$45,000,000.00	
Common.....	45,000,000.00	
		90,000,000.00
Sundry reserves for fire insurance and contingencies		7,969,531.26
Accounts payable.....		2,578,332.36
Dividends declared, including that payable Jan. 3, 1911, and former dividends unclaimed		1,590,165.75
Surplus; Balance Dec. 31, 1909.....	\$21,301,872.55	
Less deduction in 1910 per profit and loss account....	1,427,623.60	
		19,874,248.95
Total.....		122,012,278.32

We have examined the books and accounts of the American Sugar Refining Co. and the statements of the several constituent companies, and verified the cash, the loans, and securities owned. The foregoing profit and loss statement and balance sheet agree with the said books and accounts. The amount charged therein for depreciation of plant and equipment, which is in addition to large expenditures for repairs and maintenance, appears to be sufficient provision therefor; the valuation of the investments is conservative, and in our opinion the foregoing balance sheet presents the true financial position of the corporation and its constituent companies on December 31, 1910.

CHURCH & McCULLOH,
Certified Public Accountants.

NEW YORK, March 2, 1911.

THE AMERICAN SUGAR REFINING CO. AND ITS CONSTITUENT COMPANIES.*Profit and loss account for the year 1910.***CREDITS.**

Profit from operations.....	\$3,077,148.03
Interest on loans and deposits.....	398,862.08
Interest and dividends on investments.....	2,273,473.22
Net profit realized upon investments.....	630,823.50
Total.....	6,380,301.83

DEBITS.

Depreciation on plant and equipment.....	\$807,967.43	
Dividends declared during 1910.....	6,299,958.00	
		7,107,925.43
Charges in respect to settlements made in the year 1910, in suits and proceedings, as follows: With United States Government in re drawbacks.....	700,000.00	
		\$7,807,925.43
Amount deducted from surplus of former years.....		1,427,623.60

Condensed general balance sheet, Dec. 31, 1910.

ASSETS.

Real estate and plant, including refineries, warehouses, cooperages, wharves, and stables, with their machinery and equipment, timber and other lands, owned in fee or through ownership of the entire capital stock of constituent companies, at cost less depreciation....	\$52,524,593.51
Investments, bonds and stocks.....	21,397,391.42
Insurance fund investments.....	5,781,875.00
Merchandise and supplies, including raw and refined sugar, sirup, material in process of manufacturing, bone black, cooperage, horses and wagons, and other stock and supplies on hand.....	10,557,710.11
Prepaid accounts, insurance, taxes, etc.....	135,438.39
Loans.....	1,595,796.14
Accounts receivable.....	4,178,785.74
Accrued income, interest earned, and dividends declared but not yet collected.....	461,449.52
Cash with trust companies, in banks and on hand.....	19,379,238.49
Total.....	<u>122,012,278.32</u>

LIABILITIES.

Capital stock:		
Preferred.....	\$45,000,000.00	
Common.....	45,000,000.00	
		90,000,000.00
Sundry reserves, for fire insurance and contin- gencies.....		7,969,531.26
Accounts payable.....		2,578,332.36
Dividends declared, including that payable Jan. 3, 1911, and former dividends unclaimed.....		1,590,165.75
Surplus: Balance Dec. 31, 1909.....	21,301,872.55	
Less deduction in 1910 per profit and loss account.....	1,427,623.60	
		19,874,248.95
Total.....		<u>122,012,278.32</u>

We have examined the books and accounts of the American Sugar Refining Co. and the statements of the several constituent companies, and verified the cash, the loans, and securities owned. The foregoing profit and loss statement and balance sheet agree with the said books and accounts. The amount charged therein for depreciation of plant and equipment, which is in addition to large expenditures for repairs and maintenance, appears to be sufficient provision therefor; the valuation of the investments is conservative, and in our opinion the foregoing balance sheet presents the true financial position of the corporation and its constituent companies on December 31, 1910.

CHURCH & McCULLOH,
Certified Public Accountants.

NEW YORK, March 2, 1911.

THE UTAH SUGAR CO. BALANCE SHEETS AND BUSINESS STATEMENTS MAR. 31, 1903,
TO FEB. 28, 1907.*Balance sheet year ended Mar. 31, 1903.*

ASSETS.

Permanent property and equipment:

Plants—

Lehi.....	\$1, 177, 997. 85	
Garland (Dyer Co. account).....	185, 047. 43	
		\$1, 363, 045. 28

Furniture and fixtures—

Lehi.....	1, 962. 60	
Garland.....	1, 895. 48	
		3, 858. 08

Horses, wagons, and farming implements—

Lehi.....	5, 879. 50	
Garland.....	13, 243. 70	
		19, 123. 20

Real estate—

Lehi.....	63, 791. 84	
Garland (land account).....	261, 942. 50	
		325, 734. 34

Saratoga Springs, Lehi.....	22, 329. 45	
Canal system, Garland.....	3, 831, 402. 93	
Power plant, Garland.....	23, 171. 88	
Fielding spur, Garland.....	5, 000. 00	

Total.....		5, 593, 665. 16
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Cash and convertible assets:

Cattle and sheep, Lehi.....	3, 965. 50	
Interest due on land and water notes.....	4, 796. 29	
Land notes, Garland.....	22, 013. 08	
Pulp, Lehi.....	2, 375. 00	
Sugar, Lehi.....	742, 305. 83	
Seed, Lehi.....	7, 851. 03	
Unpaid water contracts (Garland).....	111, 351. 40	
Water rental notes (Garland).....	8, 142. 63	
Accounts receivable.....	38, 036. 79	

Total.....		940, 837. 55
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Deferred charges to operations:

Canal equipment and maintenance material (Garland).....	5, 673. 82	
Farming operations—		
Lehi.....	\$3, 955. 00	
Garland.....	23, 927. 52	

		27, 882. 52
Operating and maintenance material.....		21, 292. 45

Total.....		54, 848. 79
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Total assets.....		6, 589, 351. 50
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LIABILITIES.

Capital stock:

Preferred.....	\$3, 000, 000. 00	
Common.....	3, 000, 000. 00	
		\$6, 000, 000. 00

Bonds.....

330, 000. 00

Current liabilities:

Banks (cash).....	76, 834. 94	
Less petty cash.....	\$85. 30	
Less cash, Garland.....	2, 199. 09	
Less cash, Lehi.....	1, 321. 19	
	3, 585. 58	

Total cash O/D net.....		73, 249. 36
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Current liabilities—Continued.

Accounts payable.....	\$1,587.60	
Accrued interest.....	3,475.00	
Estimated expenses.....	2,342.00	
T. R. Cutler, contingent.....	1,455.27	
Bills payable.....	50,000.00	
		<u>\$132,109.23</u>
Undivided profits.....		127,242.27
Total liabilities.....		<u>6,589,351.50</u>

Business for year ended Mar. 31, 1903.

Beets purchased.....	tons..	89,110
Sugar produced.....	pounds..	29,862,000
Brown sugar in process equivalent in white, 1,857,574, at 4½ cents.		

Earnings:

Sugar.....	\$845,216.86	
Pulp.....	7,700.13	
Beet seed.....	3,717.43	
Cattle feeding.....	1,242.75	
		<u>\$857,877.17</u>

Expenses:

Cost of beets.....	441,367.23	
Agricultural expenses.....	5,839.60	
Agents' expenses.....	4,691.83	
Sugar-plant operating.....	183,209.46	
Sugar-plant maintenance.....	13,711.78	
General expenses.....	28,461.48	
Insurance.....	7,070.69	
Depreciation farm improvements.....	3,714.85	
Depreciation furniture and fixtures.....	79.40	
Farming operations.....	4,958.74	
		<u>693,105.06</u>

Operating profit.....	164,772.11
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Deduct:

Taxes.....	9,235.45	
Interest on bonds.....	23,400.00	
Interest on notes.....	8,396.54	
		<u>36,031.99</u>

Profits.....	128,740.12
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Adjustments:

	Dr.	Cr.	
Miscellaneous credit for profit and loss.....		46.00	
Farmers' accounts charged off.....	\$1,248.29		
Diamond C. & C. Co.....	80.38		
Dividends, error.....	215.18		
	<u>1,543.85</u>	<u>46.00</u>	<u>1,497.85</u>

Final addition for undivided profits.....	127,242.27
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Granulated sugar statement, year ended Mar. 31, 1903.

On hand Mar. 31, 1903:

Granulated sugar, 13,594,300 pounds, at 5 cents....	\$679,715.00	
In process, equivalent to 1,857,574 pounds, at 4½ cents.....	\$83,590.83	
Less estimated cost to refine.....	21,000.00	
	<u>62,590.83</u>	
		<u>\$742,305.83</u>

Sold during year, 19,377,000 pounds, at 0.0438 cents (net).....	850,108.83
	<u>1,592,414.66</u>

On hand Mar. 31, 1902:	Pounds.	
Granulated sugar....	12,181,800 at 5 cents.....	\$609,090.00
Sold.....	1,869,700.....	94,391.75
In process, raw.....	319,951	
In solution.....	1,188,582	
	1,508,533 at 75 per cent.	
Equals 1,131,401 pounds granulated at		
5 cents.....	\$56,570.05	
Less estimated cost to refine.....	18,000.00	
		38,570.05
Freight paid on 34,307 bags to Salt Lake and		
Provo, at 15 cents.....		5,146.00
		<u>\$747,197.80</u>
Total profit for year.....		<u>845,216.86</u>
Production year ended Mar. 31, 1903, 20,802,000 pounds, at 0.04063		
cents.....		<u>845,216.86</u>
Remelt and short in 1902 invoice, 12,500 pounds.		
Expenses account, granulated sugar:		
Brokerage and commissions.....		5,680.70
Freight.....		56,007.65
Rebates and allowances.....		9,263.52
Storage.....		1,906.54
Total.....		<u>72,858.41</u>

*Balance sheet, year ended March 31, 1904.***ASSETS.****Permanent property and equipment:**

Plants—		
Lehi.....	\$1,194,268.08	
Garland.....	780,271.31	
		<u>\$1,974,539.39</u>
Real estate—		
Lehi.....	66,311.84	
Garland (land account).....	264,288.17	
		<u>330,600.01</u>
Furniture and fixtures—		
Lehi.....	2,506.80	
Garland.....	4,889.75	
		<u>7,396.55</u>
Horses, wagons, and F. I.—		
Lehi.....	8,107.10	
Garland.....	15,343.69	
		<u>23,450.79</u>
Canal system, Garland.....		3,845,069.37
Saratoga Springs, Lehi.....		23,974.02
Power plant, Garland.....		276,733.08
Railroads, Garland.....		14,544.66
Big Horn investment.....		71.75
Garland town site.....		12,654.64
Total.....		<u>6,509,034.26</u>

Cash and convertible assets:

Bills receivable.....		75,569.04
Cattle and sheep, Lehi.....		2,326.00
Accrued interest on notes receivable.....		5,875.74
Estimated income from power sold.....		4,000.00
Cane sugar.....		867.58
Land notes.....		27,015.71
Pulp—		
Lehi.....	1,998.92	
Garland.....	2,400.00	
		<u>4,398.92</u>

Cash and convertible assets—Continued.

Granulated sugar.....		\$640,657.38
Seed—		
Lehi.....	\$18,031.51	
Garland.....	9,821.90	
		<u>27,853.41</u>
Unpaid water contracts, Garland.....		86,563.11
Water-rental notes, Garland.....		11,278.44
Accounts receivable, Garland.....		14,187.04
Total.....		<u>900,592.37</u>

Deferred charges to operations:

Canal equipment and materials, Garland.....		8,595.85
Farming operations—		
Lehi.....	4,698.08	
Garland.....	27,986.63	
		<u>32,684.71</u>
Operating and maintaining material on hand—		
Lehi.....	22,775.67	
Garland.....	8,741.68	
		<u>31,517.35</u>
Total.....		<u>72,797.91</u>
Total assets.....		7,482,424.54

LIABILITIES.

Capital stock:

Common.....	\$3,000,000.00	
Preferred.....	3,000,000.00	
		<u>\$6,000,000.00</u>

Bonds.....	320,000.00	<u>\$6,320,000.00</u>
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Current liabilities:

Banks (cash account)—		
McCornick & Co.....	66,415.45	
State Bank.....	1,628.20	
		<u>68,043.65</u>

Less cash at Garland.....	\$4,008.38	
Less cash at Lehi.....	108.74	
		<u>4,117.12</u>

Total O/D net.....	63,926.53	
Bills payable.....	832,000.00	
T. R. Cutler, contingent.....	825.27	
Accounts payable.....	3,287.20	
Accrued interest.....	13,025.10	
		<u>913,064.10</u>

Undivided profits.....		249,360.44
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Total liabilities.....		<u>7,482,424.54</u>
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Factory operations for year ended Mar. 31, 1904.

		Tons.
Lehi, beets purchased.....		96,440
Garland, beets purchased.....		16,540
		<u>112,980</u>

		Pounds.
Lehi, sugar produced.....		22,942,400
Garland, sugar produced.....		3,046,600

	Lehi.	Garland.	Total.
Earnings:			
Sugar produced as per statement.....	\$1,029,207.21	\$122,896.56	\$1,152,103.77
Pulp.....	8,752.39	2,875.57	11,627.96
Seed and planting.....	6,218.83	1,551.56	7,770.39
Farming operations.....	3,404.47	.....	3,464.47
Rents.....	.....	175.76	175.76
	1,047,642.90	127,499.45	1,175,142.35
Expenses:			
Cost of beets.....	483,496.30	97,364.86	580,860.16
Operating expenses.....	186,946.67	39,193.14	226,139.81
Sugar plant, maintenance.....	24,212.03	98.45	24,310.48
Insurance.....	6,984.67	802.65	7,787.32
Cattle and sheep.....	70.58	.....	70.58
Farm operations.....	.....	20,237.07	20,237.07
	701,709.25	157,696.17	859,405.42
Operating profits.....	345,933.65	30,196.72	315,736.93
Deduct:			
General expenses.....	18,985.83	4,967.60	23,953.43
Taxes.....	11,159.52	508.80	11,668.32
	30,145.35	5,476.40	35,621.75
Net factory profits.....	315,788.30	35,673.12	280,115.18

Statement showing final divisible surplus for year ending Mar. 31, 1904.

From the accompanying statements of earnings, expenses, and taxes the following are brought forward:

Net factory profits at Lehi.....	\$315,788.30
Net factory profits at Garland.....	35,673.12
Net profit, land and canal system.....	99,754.68
Net profit, power and lighting system.....	5,745.43
	385,615.29

Deduct:	
Interest on notes.....	\$29,399.39
Interest on bonds, series A.....	19,400.00
	48,799.39

Final net profits from operations after payment of all interest...	336,815.90
Adjustments or credits and charges to profit and loss having no connection with business year:	
Depreciation, furniture and fixtures.....	\$260.94
Farmers' accounts charged off.....	1,405.89
Lost accounts.....	2,881.84
Unpaid dividends.....	3.90
Joseph Geoghegan, contingent.....	145.16
	4,697.73
Final divisible surplus.....	332,118.17

Granulated sugar statement, year ended Mar. 31, 1904.

On hand Mar. 31, 1904:

Lehi—

Granulated, 13,047,700 pounds, at 4½ cents....	\$587,146.50
Brown, 94,700 pounds, at 4½ cents.....	3,311.50
Low product, 1,503,691 pounds, at 3½ cents....	52,629.18
	643,090.18
Less cost to Osmose low product.....	8,700.00
	634,390.18
Freight claims unpaid.....	306.94
	\$634,697.12

On hand Mar. 31, 1904—Continued.

Garland—

Brown, 52,350 pounds, at 3½ cents..... 1,832.25
 Low product, 155,086 pounds, at 3½ cents..... 5,428.01

7,260.26

Less cost to Osmose low product..... 1,300.00

\$5,960.26

Total on hand Mar. 31, 1904..... 640,657.38

Sold during year—

Pounds.

Lehigh..... 23,478,300 1,136,815.92
 Garland..... 3,046,600 116,936.30

26,524,900, at .04726 cent..... 1,253,752.22

1,894,409.60

On hand Mar. 31, 1903—

Lehi—

Granulated sugar, 13,594,300 pounds, at 5 cents. 679,715.00
 In process equivalent to 1,857,574
 pounds, at 4½ cents..... \$83,590.83
 Less estimated cost to refine..... 21,000.00

62,590.83

742,305.83

Profit for year..... 1,152,103.77

Production for year:

Lehi..... pounds.. 22,942,400
 Garland..... do.... 3,046,600

25,989,000

Expenses account, granulated sugar:

Brokerage and commissions..... 8,172.76
 Freight..... 94,619.64
 Discount and rebates..... 9,530.86
 Storage..... 359.50

Total..... 112,682.76

Balance sheet year ended Mar. 31, 1905.

ASSETS.

Permanent property and equipment:

Plants—

Lehi..... \$1,224,295.47
 Garland..... 799,955.03

\$2,024,250.50

Real estate—

Lehi..... 66,160.89
 Garland (land account)..... 255,090.45

321,251.34

Canal system—

East Side..... 552,263.78
 West Side..... 3,275,241.83
 Bear Lake Reservoir..... 18,347.12

3,845,852.73

Furniture and fixtures—

Lehi..... 2,278.38
 Garland..... 2,839.92

5,118.30

Horses, wagons, and farm implements—

Lehi..... 9,570.70
 Garland..... 15,975.68

25,546.38

Permanent property and equipment—Continued.

Power plant and pole line.....	\$337,503.59
Railroads.....	57,755.42
Saratoga Springs resort.....	24,101.87
Garland town site.....	27,702.43
Big Horn investment.....	301.29

Total permanent property and equipment.....	6,669,383.85
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Cash and convertible assets:

Bills receivable.....	1,752.59
Cattle and sheep—	
Lehi.....	\$2,280.00
Garland.....	3,166.25
	5,446.25
Interest due on notes.....	2,796.80
Estimated income from power plant.....	3,500.00
Farmers' accounts, Garland.....	300.00
Cane sugar on hand.....	122.40
Pulp—	
Lehi.....	4,000.00
Garland.....	3,600.00
	7,600.00
Granulated sugar.....	880,535.25
Seed—	
Lehi.....	27,509.16
Garland.....	6,274.40
	33,783.56
Sugar in process—	
Lehi.....	51,327.04
Garland.....	9,682.08
	61,009.12
Unpaid water contracts.....	57,149.80
Water-rental notes.....	3,923.63
Water rental due.....	10,437.46
Accounts receivable.....	50,339.29
Land notes.....	30,513.55

Total cash and convertible assets.....	1,149,209.70
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Deferred charges to operations:

Sugar plant operating and maintenance materials—	
Lehi.....	15,990.05
Garland.....	4,689.80
	20,679.85
Farming operations—	
Lehi.....	7,055.33
Garland.....	18,552.46
	25,607.79
Canal equipment and maintenance material.....	10,676.80
Boarding-house operations.....	2,341.09

Total deferred charges to operations.....	59,305.53
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Total assets.....	7,877,899.08
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LIABILITIES.

Current liabilities:

Cash (overdrafts)—	
State Bank.....	\$48,793.36
Less on hand at Lehi.....	\$4,310.35
Less on hand at Garland.....	2,526.67
Less on hand at McCornick Co.....	5,661.75
	12,498.77
	\$36,294.59
Accrued interest.....	7,062.00
T. R. Cutler, contingent.....	775.27
Bills payable.....	1,010,777.01
Total current liabilities.....	1,054,908.87

Capital stock.....	\$6,000,000.00
Bonds.....	310,000.00
Undivided profits.....	512,990.21
Total liabilities.....	7,877,899.08

Factory operations for year ended March 31, 1905.

Lehi, beets purchased.....	tons..	111,444
Garland, beets purchased.....	do....	31,886
Lehi, sugar produced.....	pounds..	25,076,500
Garland, sugar produced.....	do....	7,220,600

	Lehi.	Garland.	Total.
Earnings:			
Sugar produced as per statement.....	\$1,349,552.94	\$372,836.42	\$1,722,389.36
Molasses.....		1,294.00	1,294.00
Pulp.....	7,206.52	3,685.64	10,952.16
Seed and planting.....	4,813.68	92.80	4,906.48
Sugar in process.....	4,083.36	3,721.82	7,805.18
Rents.....		1,487.60	1,487.60
Farming operations.....	891.25		891.25
Cattle and sheep.....	559.00	2,714.34	3,273.34
	1,367,166.75	385,832.62	1,752,999.37
Expenses:			
Cost of beets.....	558,991.10	168,730.98	727,722.08
Sugar plant, operating.....	182,683.36	62,899.82	245,583.18
Sugar plant, maintenance.....	38,294.94	16,665.29	54,960.23
Insurance.....	6,198.78	2,708.17	8,906.95
Farming operations.....		15,762.42	15,762.42
Molasses purchased.....	3,257.85		3,257.85
Boarding house.....		575.58	575.58
	789,426.03	267,342.26	1,056,768.29
Operating profits.....	577,740.72	118,450.36	696,231.08
Deduct:			
General expenses.....	17,665.77	15,217.74	32,883.51
Taxes.....	9,945.39	6,151.25	16,096.64
	27,611.16	21,368.99	48,980.15
Net factory profits.....	550,129.56	97,121.37	647,250.93

Statement land and canal department, Garland, Mar. 31, 1905.

DEBITS.

Inventory land account, as reported Mar. 31, 1904.....	\$264,288.17
Land bought and sales canceled, etc.....	8,633.91
Canal system, operating expense.....	6,605.18
Canal system, maintenance expense.....	40,086.65
Taxes.....	3,316.70
General expense.....	10,217.74
Total.....	333,148.35

CREDITS.

Inventory land account, Mar. 31, 1905.....	\$255,090.45
Land sales.....	16,955.51
Leases of land.....	185.00
Interest on land and water notes received.....	6,702.07
Water contracts issued.....	13,090.06
Water rents.....	30,739.87
Total.....	322,762.96
Balance loss.....	10,385.39
Total.....	333,148.35

Statement of the electric power plant, Mar. 31, 1905.

CREDITS.		
Receipts, sale of power.....	\$35,627.10	
Estimated amount due for sale of power to Mar. 31, 1905....	3,500.00	
Miscellaneous.....	41.30	
		<u>\$39,168.40</u>
DEBITS.		
Operating expense (labor, etc.).....	13,012.61	
Maintenance account.....	1,464.81	
Maintenance of pole line.....	1,274.31	
General expense.....	5,217.75	
Interest and discount.....	8,251.86	
Taxes.....	2,595.08	
		<u>23,564.56</u>
Balance gain.....		15,603.84
		<u>39,168.40</u>

NOTE.—Electric power is sold at \$2.83½ per month kilowatt hour.

Statement showing final divisible surplus for year ending Mar. 31, 1905.

From the accompanying statements of earnings, expenses, and taxes the following are brought forward:

Net factory profits at Lehi.....	\$550,129.56
Net factory profits at Garland.....	97,121.37
Net loss, land and canal system.....	10,385.39
Net profit, power and lighting system.....	15,603.84
	<u>652,469.38</u>

Deduct:

Interest on notes.....	\$49,894.25
Interest on bonds, series A.....	18,800.00
	<u>68,694.25</u>

Final net profits from operations after payment of all interest.....	583,775.13
Adjustments or credits and debits to profit and loss having no connection with the business of the year—	
Donations to county for railroads.....	\$366.00
Depreciation, furniture and fixtures.....	1,277.06
Farmers' accounts written off.....	687.29
Jos. Geoghegan, contingent.....	33.58
Unpaid dividend account.....	11.45
Farm improvements, Garland, written off.....	15,600.00
Main dam, Garland.....	5,514.26
M. N. R. R. of W., Garland ¹	5,000.00
Spanish Fork Station, Lehi, written off.....	44,155.72
	<u>72,645.36</u>

Final divisible surplus.....	511,129.77
------------------------------	------------

Granulated sugar statement, year ended Mar. 31, 1905.

On hand Mar. 31, 1905:		Pounds.	
Lehi.....	13,299,000, at 5½ cents.....		\$698,197.50
Garland.....	3,473,100, at 5½ cents.....		182,337.75
			<u>880,535.25</u>
	16,772,100, at 5½ cents.....		
Sold during year:			
Lehi.....	24,825,200, at 0.0499 net....	1,238,808.88	
Garland.....	3,747,500, at 0.0508 net....	190,498.67	
			<u>1,429,307.55</u>
Total sold.....	28,572,700.....		
Total sold and on hand.....	45,344,800.....		<u>2,309,842.80</u>

¹ Amount donated during year to secure railroad from Garland to Malad City, Idaho.

On hand Mar. 31, 1904:

Lehi.....	13, 047, 700, at 4½ cents.....	\$587, 146. 50	
Freight rebates due us.....		306. 94	
			\$587, 453. 44

Production for year ended Mar. 31, 1905:

Lehi.....	25, 076, 500		
Garland.....	7, 220, 600		
	32, 297, 100, at 0.0533.....		1, 722, 389. 36

Total as per amount
sold and on hand. 45, 344, 800

Balance sheet, year ending Feb. 28, 1906.

Permanent property and equipment.	Lehi.	Garland.	Total.
ASSETS.			
Plant accounts	\$1, 355, 588. 72	\$866, 892. 97	\$2, 222, 481. 69
Furniture and fixtures	2, 381. 64	3, 385. 03	5, 766. 67
Horses, wagons, and farm implements	11, 158. 80	17, 384. 91	28, 543. 71
Real estate, S. L. & Utah Co	59, 503. 59		59, 503. 59
Saratoga Springs resort	24, 021. 52		24, 021. 52
Bear River Valley lands		249, 738. 42	249, 738. 42
Canal system and reservoir		3, 853, 201. 42	3, 853, 201. 42
Power plant and transportation line		336, 863. 43	336, 863. 43
Garland lighting system		9, 468. 78	9, 468. 78
Garland town site		27, 412. 94	27, 412. 94
Corinne Ry.....		5, 599. 76	5, 599. 76
Point Lookout Ry.....		58, 143. 75	58, 143. 75
Improvements on company farms		6, 411. 00	6, 411. 00
Total	1, 452, 654. 37	5, 434, 502. 41	6, 887, 156. 68
Cash and convertible assets.			
National City Bank of New York.....		1, 078. 96	
State Bank of Utah.....		323. 92	
Bank of Garland		4, 005. 16	
Lehi Commercial & Savings Bank.....		192. 34	
Total cash.....		5, 600. 38	
Accounts and notes receivable.....		140, 758. 21	
Granulated sugar on hand.....		889, 492. 50	
Sugar in process.....		27, 101. 31	
Molasses.....		17, 412. 00	
Cattle and sheep.....		26, 051. 26	
Pulp.....		2, 400. 00	
Seed.....		49, 972. 83	
Total cash and convertible assets.....			1, 158, 788. 49
Deferred charges to operations.			
Fuel, bags, and other supplies.....	12, 483. 96	8, 491. 88	
Maintenance material.....	8, 448. 96	3, 298. 36	
Farming system.....	4, 524. 25	8, 547. 10	
Canal equipment and maintenance material.....		11, 041. 97	
Boarding-house supplies.....		2, 049. 20	
Total.....	25, 457. 17	33, 428. 51	58, 885. 68
			8, 104, 830. 85
LIABILITIES.			
Capital stock.....			6, 000, 000. 00
Bonds outstanding, Series A.....			300, 000. 00
Current liabilities.			
Bills payable.....		1, 390, 600. 00	
Accrued interest on notes.....		2, 765. 34	
Accrued interest on bonds.....		3, 000. 00	
Accounts payable.....		20, 834. 12	
McCormick & Co., overdraft.....		3, 268. 90	
			1, 420, 468. 36
Undivided profits.....			384, 362. 49
			8, 104, 830. 85

Factory operations for the year ended Mar. 31, 1906.

Lehi, beets purchased.....	tons..	72, 970
Garland, beets purchased.....	do....	60, 218
Lehi, sugar produced.....	pounds..	16, 088, 500
Garland, sugar produced.....	do....	13, 452, 000

	Lehi.	Garland.	Total.
EARNINGS.			
Sugar produced as per statement.....	\$755, 219. 40	\$581, 664. 38	\$1, 336, 883. 78
Molasses account.....	15, 638. 95	5, 455. 20	21, 094. 15
Pulp.....	4, 193. 22	6, 112. 07	10, 305. 29
Rents.....	50. 00	2, 362. 95	2, 412. 95
Seed and planting.....	1, 330. 65	1, 528. 89	2, 859. 54
Cattle and sheep.....	32. 50	79. 78	112. 23
Total.....	776, 464. 72	597, 203. 22	1, 373, 667. 94
EXPENSES.			
Cost of beets.....	372, 634. 86	310, 236. 14	682, 871. 00
Sugar plants operating.....	158, 565. 22	107, 396. 74	265, 961. 96
Sugar plant maintenance.....	48, 392. 04	24, 390. 90	72, 782. 94
Sugar in process.....	30, 480. 90	3, 426. 91	33, 907. 81
Farm operations.....	3, 214. 65	11, 124. 26	14, 338. 91
Molasses purchased.....	2, 580. 60		2, 580. 60
Boarding house, operating.....		2, 068. 87	2, 068. 87
Clubhouse, operating.....		8. 80	8. 80
Insurance.....	6, 990. 80	4, 888. 98	11, 879. 78
Maintenance, railways.....		387. 15	387. 15
Total.....	622, 859. 07	463, 928. 75	1, 086, 787. 82
Operating profit.....	153, 605. 65	133, 274. 47	286, 880. 12
Deduct—			
General expenses.....	22, 611. 07	20, 150. 89	42, 761. 96
Taxes.....	11, 709. 82	7, 861. 33	19, 571. 15
	34, 320. 89	28, 012. 22	62, 333. 11
Net factory profits.....	119, 284. 76	105, 262. 25	224, 547. 01

Land and canal system operations, year ended Feb. 28, 1906.

Earnings:		
Water rentals.....	\$34, 801. 11	
Water contracts issued.....	9, 763. 25	
Land leases.....	105. 00	
		\$44, 669. 36
Expenses:		
Canal operation, maintenance, and expense.....	40, 974. 20	
Loss on land sales.....	860. 58	
		41, 834. 78
Operating profit.....		2, 834. 58
Add interest on land and water notes.....		7, 719. 96
		10, 554. 54
Deduct taxes paid.....		4, 290. 93
Net profit.....		6, 263. 61

Electric power plant operations, year ended Feb. 28, 1906.

Earnings:		
Electric power sold.....	\$38, 940. 59	
Materials sold.....	233. 65	
		\$39, 174. 24
Expenses:		
Labor as per contract.....	5, 720. 00	
Other labor.....	437. 65	
Oil and supplies.....	680. 33	
General expenses.....	7, 756. 70	
Maintenance materials.....	2, 232. 92	

Expenses—Continued.

Miscellaneous materials.....	\$3,157.40	\$19,985.00
Operating profit.....		19,189.24
Deduct taxes.....		4,501.25
Net profit electric power plant department.....		14,687.99

Statement showing final divisible surplus for year ending Mar. 31, 1906.

From the following statements of earnings, expenses, and taxes the following are brought forward:

Net factory profits at—

Lehi.....	\$119,284.76
Garland.....	105,262.25
Net profit land and canal system.....	6,263.61
Net profit power and lighting system.....	14,687.99
	245,498.61

Deduct:

Interest on notes.....	\$59,379.88
Interest on bonds, series A.....	18,200.00
	77,579.88

Final net profits from operations after payment of all interest..... 167,918.73

Adjustments or credits and debits to profit and loss

having no connection with business of the year—

Farmers' accounts charged off.....	7,712.86
Bad notes and accounts charged off.....	2,391.94
Depreciation, furniture and fixtures.....	1,441.65
	11,546.45

Final divisible surplus..... 156,372.28

Granulated sugar statement, year ended Mar. 31, 1906.

On hand Mar. 31, 1906:	Pounds.		
Lehi.....	11,439,500, at 4½ cents.....	\$514,777.50	
Garland.....	8,327,000, at 4½ cents.....	374,715.00	
	19,766,500, at 4½ cents.....	\$889,492.50	
Sold during year:			
Lehi.....	17,942,300, at 0.0523 cents.....	938,639.40	
Garland.....	8,562,200, at 0.0454 cents.....	389,287.13	
	26,504,500.....	1,327,926.53	
Total sold and on hand.....	46,271,000.....	2,217,419.03	
On hand Mar. 31, 1905:			
Lehi.....	13,299,000, at 0.0525 cents.....	698,197.50	
Garland.....	3,473,100, at 0.0525 cents.....	182,337.75	
	16,772,100.....	880,535.25	
Production year ended Mar. 31, 1906:			
Lehi.....	16,088,500		
Garland.....	13,452,000		
	29,540,500, at 0.04528 cents.....	1,336,883.78	
Total on hand and produced..	46,312,600		
Expenses account granulated sugar:			
Brokerage and commissions.....		9,325.50	
Freights.....		68,367.16	
Cash discounts.....		199.79	

¹ Short and remelted, 41,600 pounds.

Expenses account granulated sugar—Continued.

Rebates and allowances.....	\$2,171.13
Other expenses.....	20,552.72
Total.....	100,616.30
Statement of shortage, 1905 inventory:	Pounds.
Garland.....	35,900
Lehi.....	5,700
Total shortage.....	41,600

Balance sheet Feb. 28, 1907.

ASSETS.

	Lehi.	Garland.	Total.
<i>Permanent property and equipment.</i>			
Plant accounts.....	\$1,356,617.17	\$875,266.24	\$2,231,883.41
Furniture and fixtures.....	2,129.06	2,814.72	4,943.78
Horses, wagons, and farm implements.....	9,076.10	15,107.43	24,183.53
Real estate, S. L. & Utah Co.'s.....	57,411.34		57,411.34
Lime quarry.....	3,000.00		3,000.00
Saratoga Springs, resort.....	24,021.52		24,021.52
Bear River Valley lands.....		249,672.62	249,672.62
Canal systems, reservoir, and houses.....		3,856,239.69	3,856,239.69
Power plant and transfer line.....		372,307.62	372,307.62
Garland lighting system.....		9,468.78	9,468.78
Garland town site.....		26,521.51	26,521.51
Corinne R. R.....		18,059.87	18,059.87
Point Lookout Ry.....		58,143.75	58,143.75
Stockyards.....		3,291.08	3,291.08
Improvements, company farms.....		6,311.00	6,311.00
	1,452,255.19	5,493,204.31	6,945,459.50
<i>Cash and convertible assets.</i>			
Office cash.....		453.65	
National City Bank, New York.....		131.01	
Bank of Garland.....		11,111.85	
Total cash.....		11,696.51	
Accounts and notes receivable.....		154,938.72	
Granulated sugar on hand.....		1,410,553.75	
Sugar in process.....		11,156.77	
Molasses.....		10,602.05	
Cattle and sheep.....		14,695.75	
Pulp.....		9,293.75	
Seed.....		17,570.50	
Total cash and convertible assets.....			1,640,507.80
<i>Deferred charges to operations.</i>			
Fuel, bags, and other supplies.....	8,725.73	9,369.74	
Maintenance material.....	8,199.15	4,249.86	
Farming system.....	3,685.00	7,719.43	
Boardinghouse supplies.....		1,486.99	
Barn supplies, oats and hay on hand.....		629.25	
Canal equipment and maintenance material.....		10,276.06	
	20,609.88	33,732.93	54,342.81
Total assets.....			8,640,310.11

LIABILITIES.

Capital, preferred stock, 300,000 shares.....	\$3,000,000.00	\$3,000,000.00
Capital, common stock, 300,000 shares.....	3,000,000.00	
Bonds outstanding, series A, 6 per cent interest.....	214,000.00	1,040,000.00
Bonds outstanding, series B, 6 per cent interest.....	826,000.00	
<i>Current liabilities.</i>		
Bills payable.....	1,007,450.00	1,116,035.56
Accrued interest on notes.....	5,846.42	
Accrued interest on bonds A.....	2,068.66	
Accrued interest on bonds B.....	4,130.00	
Lehi Commercial & Savings Bank.....	1,096.10	
McCormick & Co., Salt Lake.....	86,722.09	
State Bank of Utah, Salt Lake.....	6,847.29	
Westinghouse Electric Co.....	1,875.00	
Undivided profits.....		484,274.55
Total liabilities.....		8,640,310.11

Factory operations for year ended Feb. 28, 1907.

	Lehi.	Garland.	Total.
Earnings:			
Sugar produced as per statement.....	\$1,110,584.08	\$891,968.35	\$2,002,552.43
Molasses.....		4,303.83	4,303.83
Pulp.....	10,060.73	3,872.64	13,933.37
Seed and planting.....	12,309.26	6,187.33	18,496.59
Cattle and sheep.....		6,106.16	6,106.16
Farming operations.....		2,054.49	2,054.49
Barn profit.....		299.96	299.96
Rents.....	187.30	270.07	457.37
	<u>1,123,141.37</u>	<u>914,562.83</u>	<u>2,047,704.20</u>
Expenses:			
Cost of beets.....	705,921.44	430,635.63	1,136,557.07
Sugar in process.....	15,580.00	1,072.54	16,652.54
Molasses.....	7,167.03		7,167.03
Sugar plant, operating.....	246,301.26	148,244.53	394,545.79
Sugar plant, maintenance.....	29,488.52	20,625.59	50,114.11
Cattle and sheep.....	39.95		39.95
Farming operations.....	468.69		468.69
Insurance.....	7,327.66	5,567.44	12,895.10
Boarding house.....	93.55	1,498.81	1,592.36
Club house, operating.....		339.63	339.63
Saratoga Springs, resort.....	162.03		162.03
Maintenance of railways.....		659.14	659.14
	<u>1,012,550.13</u>	<u>608,743.31</u>	<u>1,621,293.44</u>
Operating profits.....	<u>120,591.24</u>	<u>305,819.52</u>	<u>426,410.76</u>
Deduct:			
General expense.....	22,559.05	16,178.98	38,738.03
Taxes.....	19,088.31	11,034.19	30,122.50
Damages for personal injuries.....	945.25	78.19	1,021.44
	<u>42,592.61</u>	<u>27,290.36</u>	<u>69,881.97</u>
Net factory profits.....	<u>77,998.63</u>	<u>278,530.16</u>	<u>356,528.79</u>

Beets purchased, Lehi.....	tons..	137,365
Beets purchased, Garland.....	do....	84,228
Sugar produced, Lehi.....	bags..	261,780
Sugar produced, Garland.....	do....	207,615

Land and canal system, year ended Feb. 28, 1907.

Earnings:			
Water rents (including \$9,050.67 estimated due).....	\$44,969.32		
Water contracts.....	732.00		
		<u>\$45,701.32</u>	
Expenses:			
Canal system, operation.....	6,705.58		
Canal system, maintenance.....	12,847.30		
Canal system, minor improvements.....	41.35		
Repairing and improving main dam.....	6,654.05		
General expenses (direct).....	466.29		
		<u>26,714.57</u>	
Operating profit.....			<u>18,986.75</u>
Add:			
Interest on notes receivable.....			9,149.49
Excess of sale prices over inventory value on lands sold.....			1,836.90
			<u>29,973.14</u>
Deduct:			
Settlement with farmers, account flood.....	\$6,850.20		
Lost notes and accounts.....	82.56		
		<u>6,932.76</u>	
Taxes.....	3,611.06		
Apportioned general administration.....	5,000.00		
		<u>8,611.06</u>	
			<u>15,548.82</u>
Profit for the year ended Feb. 28, 1907.....			<u>14,429.32</u>

*Power plant and lighting system, year ended Feb. 28, 1907.***Earnings:**

Sales of power.....	\$55,411.92	
Sales of light.....	3,547.70	
		<u>\$58,959.62</u>

Expenses:

Labor, contract operating plant.....	7,200.00	
Labor, miscellaneous.....	452.40	
Oil and supplies.....	351.15	
Water, etc.....	3,064.95	
Maintenance, labor.....	681.66	
Maintenance, machinery.....	660.37	
Maintenance, sundries.....	170.68	
Maintenance, pole line.....	704.80	
	<u>2,217.51</u>	
Light-system expense.....	998.42	
		<u>14,284.43</u>

Actual operating profit..... 44,675.19

One year ago at close of fiscal year the estimated power earnings for the month of March were taken into previous year's business at \$5,000. This year the estimated power earnings for March were put into year's business at \$6,000. Hence, in order to make this statement agree with general ledger profits, it becomes necessary to add the difference between \$6,000 and \$5,000..... 1,000.00

Making the ledger profit..... 45,675.19

Deduct:

General expenses (apportioned).....	\$5,000.00	
Taxes.....	3,302.89	
		<u>8,302.89</u>

Net profit for year ended Feb. 28, 1907..... 37,372.30

Statement showing final divisible surplus for year ended Feb. 28, 1907.

From the accompanying statements of earnings, expenses, and taxes the following are brought forward:

Net factory profits at Lehi.....	\$77,998.63
Net factory profits at Garland.....	278,530.16
Net profit, land and canal system.....	14,429.32
Net profit, power and lighting system.....	37,372.30

Deduct:

		408,330.41
Interest on notes.....	\$32,741.10	
Interest on bonds A.....	13,095.32	
Interest on bonds B.....	46,383.41	
		<u>92,219.83</u>

Final net profits from operations, after payment of all interest..... 316,110.58

Adjustments or credits and charges to profit and loss, having no connection with the business of the year:

	Dr.	Cr.	
Premiums on sale of bonds.....		\$1,012.50	
Loss account, collected.....		70.00	
Farmers' accounts charged off.....	\$934.99		
Adjustment account, dividend.....	1.50		
Geoghegan contingent account charged off.....	61.60		
Donation, account Malad Valley R. R. right of way ¹	5,047.00		
Depreciation, furniture and fixtures.....	1,235.93		
	<u>7,281.02</u>	<u>1,082.50</u>	<u>6,198.52</u>

¹\$5,000 of this amount was donated in April, 1905, and carried on balance sheet of one year ago at that amount. In December, 1906, the sugar company contributed \$47 toward cost of land for a siding at Fielding Station, for beet loading. This \$5,047 was charged to loss and gain February 2-28, 1907. A previous donation of \$5,000, in March, 1905, was also charged to loss and gain.

Final divisible surplus.....	\$309,912.06
Dividends paid during year.....	210,000.00
Net increase in undivided profits.....	99,912.06

Sugar statement, year ended Feb. 28, 1907.

	Lehi.	Garland.	Total.
On hand February 28, 1907:			
18,758,000 pounds, at 4½ cents.....	\$797,215.00		
14,431,500 pounds, at 4½ cents.....		\$613,338.75	
33,189,500 pounds.....			\$1,410,553.75
Sold during year:			
18,850,500 pounds, at \$0.043911 net.....	828,146.58		
14,657,000 pounds, at \$0.044574 net.....		653,344.60	
33,516,500 pounds, at \$0.044202 net.....			1,481,491.18
66,706,000 pounds.....			2,892,044.93
On hand February 28, 1906:			
11,439,500 pounds, at 4½ cents.....	514,777.50		
8,327,000 pounds, at 4½ cents.....		374,715.00	
19,766,500 pounds, at 4½ cents.....			889,492.50
Production for year ended February 28, 1907:			
26,178,000 pounds, at \$0.042424.....	1,110,584.08		
20,761,500 pounds, at \$0.042963.....		891,968.35	
46,939,500 pounds, at \$0.042662.....			2,002,552.43

Balance sheet, Mar. 31, 1902.

ASSETS.

Permanent property and equipment:

Plant.....	\$1,139,932.84	
Real estate.....	59,066.35	
Furniture and fixtures.....	1,809.20	
Implements.....	8,819.00	
Saratoga Springs.....	16,441.07	
Bear River Water Co.....	499,985.76	
		\$1,726,054.22

Cash and convertible assets:

Accounts receivable.....	15,808.39	
Cattle.....	7,300.00	
Seed.....	3,424.80	
Merchandise.....	747,197.80	
		773,730.99

Deferred charges to operations:

Farming operations.....	17,468.06	
Fuel.....	665.00	
Lime.....	1,900.00	
Manufacturing material.....	16,548.71	
		36,581.77

2,536,366.98

LIABILITIES.

Current liabilities:

Cash.....	85,787.96	
Bills payable.....	324,000.00	
Accrued interest.....	6,903.97	
Unpaid dividends.....	204.22	
Estimated expenses.....	3,866.66	
Accounts payable.....	24,281.25	
		445,044.06

Capital stock.....

1,483,260.00

Bonds.....

340,000.00

Undivided profits.....

268,062.92

2,536,366.98

Business for year ended Mar. 31, 1902.

Beets purchased.....	tons..	78, 333
Sugar produced (not including sugar in process).....	pounds..	18, 143, 400
Earnings:		
Merchandise.....		\$894, 384. 12
Beet seed.....		3, 363. 25
Farming operations.....		11, 315. 13
		<u>\$1, 009, 062. 50</u>
Expenses:		
Cost of beets.....		377, 828. 89
Agricultural expenses.....		7, 847. 30
Fuel.....		52, 760. 70
Lime.....		8, 598. 77
Miscellaneous supplies.....		28, 630. 50
Labor.....		70, 739. 94
Mill repairs.....		8, 366. 81
Expenses.....		37, 333. 05
Insurance.....		7, 897. 60
Cattle feeding.....		1, 434. 57
		<u>601, 438. 13</u>
Operating profit.....		407, 624. 37
Deduct interest.....		31, 228. 17
		<u>376, 396. 20</u>
Adjustments:		
Farmers' accounts charged off.....	Dr.	\$1, 003. 92
Furniture and fixtures increased.....		\$267. 26
Farm implements increased.....		3, 257. 04
	<u>1, 003. 92</u>	<u>3, 524. 30</u>
		<u>2, 520. 38</u>
Added to undivided profits.....		378, 916. 58

THE IDAHO SUGAR CO. BALANCE SHEETS AND BUSINESS STATEMENTS, MAR. 31, 1906, AND FEB. 28, 1907.

*Balance sheet, Mar. 31, 1906.***ASSETS.**

	Idaho Falls.	Sugar City.	Total.
Permanent property and equipment:			
Plants.....	\$904, 389. 08	\$1, 272, 122. 20	\$2, 176, 511. 37
Snake River Valley S. C. stock.....			989, 985. 87
Water stocks.....			936. 00
Stockyards.....		970. 34	970. 34
Railroads.....	29, 931. 17	30, 240. 00	60, 171. 17
Real estate.....	70, 323. 05	21, 745. 50	92, 068. 55
Horses, wagons, and farm implements.....	20, 730. 42	27, 587. 93	48, 318. 35
Furniture and fixtures.....	3, 830. 17	2, 433. 32	6, 263. 49
Farm improvements.....	17, 646. 46	14, 479. 91	32, 126. 37
Total permanent property and equipment.....			<u>3, 407, 351. 51</u>
Cash and convertible assets:			
Cash.....			26, 035. 85
Accounts receivable.....			86, 713. 14
State of Idaho.....			51, 347. 00
Sugar in process.....	9, 919. 49	11, 038. 77	20, 958. 26
Sugar.....	433, 791. 00	324, 945. 00	758, 736. 00
Seed.....	8, 410. 22	8, 802. 74	14, 212. 96
Bills receivable.....			4, 000. 00
Citizens' committee.....			4, 900. 00
Cattle and sheep.....		25, 173. 55	25, 173. 55
Hay and grain.....	2, 305. 50	4, 780. 37	7, 085. 87
Molasses.....	6, 840. 00	22, 180. 00	29, 020. 00
Pulp.....	1, 050. 00	4, 512. 80	5, 562. 80
Farmers' accounts.....	2, 869. 61	10, 864. 44	13, 734. 05
Total cash and convertible assets.....			<u>1, 047, 479. 48</u>

*Balance sheet, Mar. 31, 1906—Continued.***ASSETS—continued.**

	Idaho Falls.	Sugar City.	Total
Deferred charges to operations:			
Farming operations.....	\$11,937.14	\$20,552.20	\$32,489.34
Sugar plant, operating.....	9,153.29	23,005.63	32,158.92
Sugar plant, maintenance.....	1,850.00	5,392.65	7,242.65
Total deferred charges to operations.....			71,890.91
Total assets.....			4,526,721.90

LIABILITIES.

Current liabilities:		
Bills payable.....		\$947,250.00
Accounts payable.....		21,688.07
Total current liabilities.....		968,938.07
Capital stock.....		3,501,870.00
Undivided profits Mar. 31, 1905.....	\$122,951.94	
Add gain for year.....	93,501.19	
		216,453.13
Deduct dividends paid during year.....	160,539.30	
		55,913.83
Total liabilities.....		4,526,721.90

Business statement, year ended Mar. 31, 1906.

	Idaho Falls.	Sugar City.	Total.
Earnings:			
Cattle and sheep.....		\$362.42	\$362.42
Dividends received.....	\$60.00		60.00
Electric lights.....		42.33	42.33
Molasses.....		21,281.55	21,281.55
Premium.....	203.01	203.01	586.02
Rents.....	2,594.36	1,443.12	4,037.48
Seed.....	5,584.04	5,666.14	11,200.18
Granulated sugar.....	530,511.09	694,823.16	1,225,334.25
Sugar in process.....		5,715.92	5,715.92
Pulp.....	3,758.91	4,497.39	8,256.30
Total.....	542,751.41	734,125.04	1,276,876.45
Expenses:			
Cost of beets ¹	272,128.47	389,632.69	661,761.16
Club house operations.....		154.57	154.57
Farming operations.....	13,381.21	8,475.72	21,856.93
Insurance.....	3,206.03	3,782.07	7,178.70
Molasses.....	1,137.50		1,137.50
Maintenance, implements and drills.....	4,105.51	4,066.65	8,174.16
Molasses purchased.....		2,618.00	2,618.00
Sugar plant, operations.....	130,725.74	178,235.82	308,961.56
Sugar plant, maintenance.....	24,276.74	28,333.71	52,610.45
Sugar in process.....	2,842.62		2,842.62
	451,993.82	615,301.83	1,067,295.65
	90,757.59	118,823.21	209,580.80
Deduct:			
General expense.....	22,303.50	27,672.84	49,976.34
Interest and discount.....	18,764.45	21,413.09	40,177.54
Taxes.....	11,723.67	12,253.04	23,976.71
Lost notes and accounts.....	191.57	191.58	383.15
Depreciation furniture and fixtures.....	957.54	608.33	1,565.87
	53,940.73	62,138.88	116,079.61
Net earnings carried to undivided profits.....	36,816.86	56,684.33	93,501.19

¹ 55,060 tons beets paid for at Idaho Falls; 76,091 tons beets paid for at Sugar City.

Granulated sugar statement, year ended Mar. 31, 1906.

Sugar on hand Mar. 31, 1906:	Pounds.			
Idaho Falls.....	9, 639, 800	at 4½ cents..	\$433, 791. 00	
Sugar City.....	7, 221, 000	at 4½ cents..	324, 945. 00	
	<u>16, 860, 800</u>	<u>at 4½ cents.</u>		<u>\$758, 736. 00</u>
Sugar sold to Mar. 31, 1906:				
Idaho Falls.....	5, 894, 700	at \$0.0487...	287, 415. 84	
Sugar City.....	12, 213, 100	at \$0.0477...	583, 112. 16	
	<u>18, 107, 800</u>	<u>at \$0.04807.</u>		<u>870, 528. 00</u>
Total sold and on hand....	34, 978, 600			1, 629, 264. 00
Sugar on hand Mar. 31, 1905:				
Idaho Falls.....	3, 632, 300	at \$0.0525...	190, 695. 75	
Sugar City.....	4, 061, 600	at \$0.0525...	213, 234. 00	
	<u>7, 693, 900</u>	<u>at \$0.0525.</u>		<u>403, 929. 75</u>
	<u>27, 284, 700</u>	<u>at \$0.04491.</u>		<u>1, 225, 334. 25</u>
Sugar sacked year ending Mar. 31, 1906:				
Idaho Falls.....	11, 850, 000			
Sugar City.....	15, 358, 500			
Total sacked.....	27, 208, 500			
Over in 1905 inventory.....	76, 200			
	<u>27, 284, 700</u>			

*Balance sheet, Feb. 28, 1907.***ASSETS.****Permanent property and equipment:**

Plant at Idaho Falls.....	\$906, 674. 90
Real estate, Idaho Falls.....	70, 210. 55
1,000 shares Farmers Progress Canal stock.....	936. 00
Farms, construction and improvement.....	18, 387. 14
Horses, wagons, and farm improvement, Idaho Falls.....	15, 965. 75
Furniture and fixtures.....	3, 444. 40

Total at Idaho Falls **1, 015, 618. 74**

Plant at Sugar City.....	1, 276, 189. 48
Real estate, Sugar City.....	21, 797. 50
Pipe line, Sugar City.....	15, 539. 46
Stockyards, Sugar City.....	1, 468. 01
Car tanks, Sugar City.....	473. 09
Farms, construction, and improvement, Sugar City.	9, 858. 54
Horses, wagons, and implements.....	24, 499. 82
Furniture and fixtures, Sugar City.....	2, 133. 97

Total at Sugar City..... **1, 351, 959. 87**

Snake River Valley Co. stock..... **989, 985. 87**

Total permanent property and equipment..... **3, 357, 564. 48** **\$3, 357, 564. 48**

Cash and convertible assets:

Cash on hand.....	30, 226. 58
Notes receivable.....	151, 000. 00
Citizens committee.....	4, 900. 00
State of Idaho (account bounty).....	51, 347. 00

Cash and convertible assets—Continued.

Sugar customers.....	\$28,342.34
Farmers ledger accounts.....	639.66
J. J. Burke & Co.....	1.82
H. Bradshaw.....	200.00
Alfred Ricks.....	25.00
Granulated sugar on hand.....	1,177,896.00
Sugar in process.....	11,904.13
Molasses.....	13,052.90
Pulp.....	10,978.44
Seed.....	35,474.28
Cattle and sheep.....	14,521.50
Hay and grain.....	9,977.66

Total cash and convertible assets..... 1,540,487.31

\$1,540,487.31

Deferred charges to operating and maintenance:**Fuel supplies and material, operating and maintenance—**

Idaho Falls.....	\$8,049.50	\$2,228.15
Sugar City.....	26,931.93	5,073.07
	34,981.43	7,301.22

Deferred charges account factory.....	42,282.65
Plowing, fertilizing, etc., at farms.....	25,486.54

Railroads built, chargeable to profit and loss..... 67,769.19

60,951.02

5,026,772.00

LIABILITIES.

Capital stock..... 3,501,870.00

Current liabilities:

Bills payable.....	\$1,169,473.08
Accrued interest on notes.....	8,751.16
Idaho Sugar Co., beet raisers.....	3,868.20
E. H. Du Vivier, New York.....	2,478.48
J. B. Gaddie, heirs.....	1,267.65
Japanese contractors.....	750.57

Bank overdrafts:

Deseret National Bank.....	\$58,849.34
Sugar City Bank.....	5,910.80
Utah State Bank.....	3,919.83
	68,679.97

Undivided profits..... 1,255,269.11

269,632.89

5,026,772.00

Business for year ending Feb. 28, 1907.

	Idaho Falls.	Sugar City.	Total.
Earnings:			
Sugar production (see detailed statement).....	\$688,882.17	\$853,880.11	\$1,542,762.28
Sugar in process (loss).....	4,891.48	4,789.49	9,680.97
Molasses.....	2,038.73	13,759.99	11,721.26
Pulp.....	8,658.71	5,351.81	14,010.52
Seed and planting.....	6,396.82	7,950.36	14,347.18
Rents.....	2,675.08	1,737.24	4,412.32
Cattle and sheep.....		2,942.44	2,942.44
Total.....	703,760.03	853,312.48	1,557,072.51
Expenses:			
Cost of beets, 68,843-80,727 tons ¹	328,645.28	379,745.41	708,390.69
Cost of beets, agricultural expenses.....	8,620.22	10,619.00	19,239.22
Cost of maintenance, drills, and implements.....	3,347.59	4,177.40	7,524.99
Total.....	340,613.09	394,541.81	735,154.90

¹ 68,843 tons Idaho Falls; 80,727 tons Sugar City.

Business for year ending Feb. 28, 1907—Continued.

	Idaho Falls.	Sugar City.	Total.
Expenses—Continued.			
Sugar plant, operations	\$128,987.37	\$185,405.63	\$324,393.00
Sugar plant, maintenance	24,889.02	23,480.06	58,349.08
General expenses	19,360.82	20,504.07	39,864.89
Insurance	5,111.91	5,375.78	10,487.69
Personal injuries	46.55	1,594.58	1,641.13
Clubhouse operating		596.14	596.14
Maintenance of railroad	17.10		17.10
Farming operations	6,879.00	16,982.31	23,861.31
Depreciations, horses, wagons, and farm implements	6,577.36	5,337.58	11,914.94
Hay and grain	176.26	9,304.07	9,480.33
Depreciation, furniture and fixtures	861.10	533.49	1,394.59
	548,519.58	673,635.52	1,217,155.10
Operating profits	160,240.45	179,676.96	339,917.41
Add dividends from water stocks	90.00		90.00
Total profits	160,330.45	179,676.96	340,007.41
Deduct:			
Taxes	10,171.51	10,901.33	21,072.84
Interest (apportioned)	20,126.24	20,133.17	40,259.41
Total deductions	30,297.75	31,034.50	61,332.25
Final net profits	130,032.70	148,642.46	278,675.16
Doubtful accounts of farmers et al. charged off	1,699.85	10,728.20	12,428.05
Final divisible surplus	128,332.85	137,914.26	266,247.11

Sugar statement for year ending Feb. 28, 1907.

	Idaho Falls.	Sugar City.	Total.
Earnings:			
Sugar on hand Feb. 28, 1907—			
Pounds.			
11,482,700, at 4½ cents net	\$488,014.75		
16,232,500, at 4½ cents net		\$689,881.25	
27,715,200, at 4½ cents net			\$1,177,896.00
14,255,600, sold at \$0.044519 net	634,658.42		
11,022,000, sold at \$0.04436 net		488,943.86	
25,277,600, sold at \$0.04450 net			1,123,602.28
52,992,800, on hand and sold, total			2,301,498.28
On hand Mar. 31, 1906—			
9,639,800, at 4½ cents	433,791.00		
7,221,000, at 4½ cents		324,945.00	
16,860,800, at 4½ cents			758,736.00
Production year ending Feb. 28, 1907:			
Pounds.			
16,098,500, at \$0.042792	688,882.17		
20,033,500, at \$0.042622		853,880.11	
36,132,000, at \$0.042698			1,542,762.28

*Balance sheet, Mar. 31, 1904.***ASSETS.****Permanent property and equipment:**

Plant account	\$829,504.14
Farm improvements	16,264.09
Furniture and fixtures	3,860.00
Horses, wagons, and farm implements	16,406.53
Real estate	49,968.55
Water stocks	936.00

\$916,939.31**Cash and convertible assets:**

Citizens' committee	4,900.00
Rents due	386.00
Farmers' accounts	739.09
Pulp	4,550.00
Seed	16,584.16

Cash and convertible assets—Continued.

Sugar.....	\$247,351.46	
State of Idaho.....	51,347.00	
Accounts receivable.....	19,158.28	
		<u>\$345,015.99</u>

Deferred charges to operations:

Farming operations.....	12,440.00	
Sugar plant operations.....	15,272.38	
		<u>27,712.38</u>

1,289,667.68

LIABILITIES.

Current liabilities:

Bills payable.....	\$190,000.00	
Accrued interest.....	2,570.00	
Idaho beet raisers.....	3,868.20	
Cash on deposit.....	3,290.19	
		<u>\$199,728.39</u>

Capital stock.....	1,000,000.00	
Premium.....	81.32	
Undivided profits.....	89,857.97	

1,289,667.68

Business statement, year ended Mar. 31, 1904.

Earnings:

Bounty and bonus ¹	\$51,123.28	
Rentals.....	518.19	
Seed.....	6,749.93	
Sugar.....	351,249.49	
Pulp.....	4,550.00	
		<u>\$414,190.89</u>

Expenses:

Beets, 36,600 tons.....	199,180.71	
Farming operations.....	25,479.38	
Insurance.....	1,913.65	
Sugar plant, operating.....	80,139.04	
Sugar plant, maintenance.....	48.41	
		<u>306,761.19</u>

Operating profit..... 107,429.70

Deduct:

General expenses.....	10,978.21	
Depreciation, furniture and fixtures.....	200.00	
Depreciation, horses, wagons, and farm implements....	2,012.39	
Interest and discount.....	4,157.45	
Taxes.....	223.68	
		<u>17,571.73</u>

Total earnings carried to undivided profits..... 89,857.97

Beets paid for, 36,600 tons.

Sugar produced, 73,304 bags.

Granulated sugar statement, year ended Mar. 31, 1904.

On hand Mar. 31, 1904, 5,259,400 pounds, at 4½ cents.....	\$236,673.00
Sold during year, 2,071,000 pounds, at \$0.05016.....	103,898.03

Sacked during year, 7,330,400 pounds, at \$0.04646..... 340,571.03

Add:

292,346 pounds raw sugar on hand carried under granulated sugar invoice, Mar. 31, 1904, at 3½ cents.....	10,232.11	
Crystallizer product, estimated, in white, 19,838 pounds, at 4½ cents, invoiced under granulated sugar.....	\$892.70	
Less cost to refine, at 2½ cents.....	446.35	
		<u>446.35</u>

351,249.49

¹ Bounty offered by State of Idaho and never collected. Bill later declared unconstitutional.

Expenses, account granulated sugar:

Brokerage and commission.....	\$369. 90
Freight.....	823. 75
Discount, rebates, and allowances.....	301. 91
Total.....	<u>1, 495. 56</u>

Balance sheet, year ended Mar. 31, 1905.

ASSETS.

Permanent property and equipment:

Plant.....	\$870, 175. 56	
Real estate.....	50, 104. 80	
Farm improvements.....	16, 930. 34	
Railroads (Elva spur).....	371. 62	
Furniture and fixtures.....	3, 838. 09	
Horses, wagons, and farm implements.....	16, 859. 62	
Railroad rights of way.....	140. 00	
Water stock.....	936. 00	
		<u>\$959, 356. 03</u>

Cash and convertible assets:

Citizens committee.....	4, 900. 00	
Big Horn investment.....	10. 15	
Hay and grain.....	2, 203. 42	
Pulp.....	1, 926. 36	
Accounts receivable.....	11, 920. 05	
Seed.....	1, 427. 80	
Sugar in process.....	12, 762. 11	
Sugar.....	190, 695. 75	
State of Idaho.....	51, 347. 00	
Molasses.....	7, 977. 50	
		<u>285, 170. 14</u>

Deferred charges to operations:

Factory farms operating.....	5, 821. 00	
Rented farms operating.....	2, 568. 00	
Sugar plant operating.....	4, 897. 84	
		<u>13, 286. 84</u>

Total assets..... 1, 257, 813. 01

LIABILITIES.

Current liabilities:

Bills payable.....	\$158, 275. 00
Accrued interest.....	1, 135. 00
Idaho beet raisers.....	3, 868. 20

Cash:

Utah National Bank.....	\$1, 434. 41
State Bank.....	12, 766. 81

14, 201. 22

Less McC. & Co..... \$8, 015. 91

Less Idaho Falls contract..... 2, 569. 09

10, 585. 00

3, 616. 22

166, 894. 42

1, 000, 000. 00

Capital stock.....

Undivided profits, Mar. 31, 1904..... \$89, 857. 97

Add gain for year..... 61, 060. 62

150, 918. 59

Less dividends paid during year.....

60, 000. 00

90, 918. 59

Total liabilities..... 1, 257, 813. 01

*Statement of earnings and expenses, year ended Mar. 31, 1905.***Expenses:**

Cost of beets, 35,438 tons	\$183,162.87	
Farming operations	33,110.95	
Insurance	2,535.51	
Maintenance implements and drills	872.52	
Sugar plant, operating	77,328.41	
Sugar plant, maintenance	25,365.41	
		<u>\$322,375.67</u>

Earnings:

Premium	81.32	
Pulp	2,842.10	
Rentals	1,876.10	
Seed and planting	3,701.71	
Sugar	403,432.04	
Sugar in process	2,083.65	
Molasses	4,592.11	
		<u>418,609.03</u>

Net operating profit..... 96,233.36

Deduct:

General expenses	18,250.81	
Interest and discount	6,725.40	
Depreciation furniture and fixtures	959.52	
Taxes	8,803.41	
Road improvements	423.60	
Lost notes and accounts	10.00	
		<u>35,172.74</u>

Net earnings carried to undivided profits..... 61,060.62

Beets paid for, 35,438 tons. Sugar produced, 75,953 bags.

Granulated sugar statement, Mar. 31, 1905.

Sugar on hand Mar. 31, 1904, 52,594 bags at \$4.50	\$236,673.00	
Sugar sold to Mar. 31, 1905, 92,131 bags at \$4.8779 (net)....		\$449,409.29
Sugar on hand Mar. 31, 1905, 36,323 bags at \$5.25		190,695.75
Balance gain	403,432.04	

Total	640,105.04	640,105.04
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Sugar sacked	bags..	75,953
Sugar on hand Mar. 31, 1904	do....	52,594

Total sacked and on hand	do....	128,547
Sugar sold to Mar. 31, 1905	do....	92,131

		36,416
Difference	do....	93

On hand Mar. 31, 1905	do....	36,323
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*WESTERN IDAHO SUGAR CO., FEB. 28, 1907.**Balance sheet, Feb. 28, 1907.***ASSETS.****Permanent property and equipment:**

Plant	\$844,849.89	
Beet dumps	15,050.57	
Factory sites (real estate):		
Nampa	\$13,400.00	
Payette	14,716.55	
		<u>28,116.55</u>
Real estate, farms	38,529.50	
Farm improvements	1,681.14	
Horses, wagons, and farm implements	12,349.68	
Furniture and fixtures	1,992.64	
		<u>\$942,569.97</u>

Cash and convertible assets:

Cash on hand.....	\$17,765.48	
Notes receivable.....	20,000.00	
G. C. York.....	334.03	
Huntington Lime Co.....	3,260.18	
Big Gulch Reservoir Co.....	10.00	
E. H. Dyer & Co.....	2.82	
Farmers' ledger.....	2,190.02	
Granulated sugar on hand.....	373,167.00	
Sugar in process.....	9,537.77	
Molasses.....	5,531.82	
Pulp.....	5,265.40	
Hay and grain.....	2,675.00	
Seed.....	8,481.55	
Cattle and sheep.....	19,298.00	
Total cash and convertible assets.....		\$467,519.07
Payette Valley R. R.....		15,000.00
Deferred charges to operation and maintenance:		
Plowing at farms.....	4,790.00	
Sugar plant, operating.....	13,089.47	
Sugar plant, maintenance.....	2,281.48	
		20,160.95
		<u>1,445,249.99</u>

LIABILITIES.

Capital stock.....		1,000,000.00
Current liabilities:		
Bills payable.....	\$323,930.00	
E. H. Dyer & Co.....	4,175.00	
E. Hashimoto.....	121.70	
Sugar customers' ledger.....	413.24	
Accrued interest on notes.....	3,102.09	
		331,742.03
Undivided profits.....		113,507.96
		<u>1,445,249.99</u>

Business for year ending Feb. 28, 1907.

Earnings:

Granulated sugar on hand, 8,780,400 pounds, at 4.25.....	\$373,167.00
Granulated sugar sold, 1,850,100 pounds, at 4.4761.....	\$89,809.81
Less freight, brokerage, etc.....	6,996.16
	<u>82,813.65</u>
Sugar in process.....	9,537.77
Molasses.....	5,531.82
Cattle and sheep.....	3,128.28
Pulp.....	8,168.12
Seed and planting.....	5,632.29
Total earnings.....	<u>487,978.93</u>

Expenses:

Cost of beets, 42,985 tons, at 5.6551.....	243,084.54
Operating plant.....	94,558.20
Maintenance of plant.....	5,662.58
Farm operations.....	10,407.84
General expenses.....	15,632.97
Insurance.....	2,798.25
Montana investigation.....	758.60
Furniture and fixtures, depreciation.....	498.16
Damages, account personal injuries.....	338.35
	<u>373,739.49</u>
Operating profit.....	<u>114,239.44</u>

Deduct:		
Taxes.....	\$881. 88	
Interest.....	4, 849. 60	
		<u>\$5, 731. 48</u>
Final net profit.....		108, 507. 96
Add:		
Bonus received account locating factory.....		<u>5, 000. 00</u>
Amount to credit of undivided profits as shown by balance sheet, Feb. 28, 1907.....		113, 507. 96
Beets paid for, 42,985 tons; sugar produced, 106,305 bags.		

Granulated sugar statement, year ended Mar. 31, 1907.

On hand Mar. 31, 1907, 8,780,400 pounds, at 4½ cents.....	\$373, 167. 00
Sold during year 1,850,100 pounds, at 4.4761 cents net.....	<u>82, 813. 65</u>
Sugar sacked during year 10,630,500 pounds, at 4.2799 cents.....	<u>455, 980. 65</u>
Expenses, account granulated sugar:	
Brokerage and commissions.....	573. 90
Freight.....	5, 834. 51
Rebates and allowances.....	557. 40
Other expenses, account granulated sugar.....	30. 35
Total.....	<u>6, 996. 16</u>

FREMONT COUNTY SUGAR CO., MAR. 31, 1905.

Balance sheet, Mar. 31, 1905.

ASSETS.

Permanent property and equipment:		
Plant account.....	\$105, 966. 13	
Railroad right of way.....	1, 249. 50	
Real estate.....	21, 195. 50	
Farm improvements.....	13, 478. 26	
Stockyards.....	422. 22	
Railroad spur.....	411. 71	
Horses, wagons, and farm implements.....	15, 537. 53	
Furniture and fixtures.....	1, 807. 80	
		<u>\$1, 060, 068. 65</u>
Cash and convertible assets:		
Cattle and sheep.....	12, 943. 00	
Freight claims.....	11, 955. 50	
Hay and grain.....	1, 625. 00	
Molasses.....	145. 60	
Pulp.....	2, 799. 20	
Sugar.....	213, 234. 00	
Sugar in process.....	5, 322. 85	
Accounts receivable.....	20, 892. 80	
Seed.....	824. 45	
		<u>269, 742. 40</u>
Deferred charges to operations:		
Sugar-plant operations.....	4, 313. 11	
Farming operations.....	15, 747. 71	
		<u>20, 060. 82</u>
		<u>1, 349, 871. 87</u>

LIABILITIES.

Current liabilities:		
Bills payable.....	\$292,250.00	
Cash.....	22,871.52	
Accrued interest.....	2,717.00	
		\$317,838.52
Capital stock.....		1,000,000.00
Undivided profits.....		32,033.35
		<u>1,349,871.87</u>

Business statement, year ended Mar. 31, 1905.

Earnings:		
Cattle and sheep.....	\$670.83	
Molasses.....	2,049.45	
Pulp.....	2,932.51	
Rentals.....	1,088.44	
Seed.....	1,992.52	
Sugar.....	326,623.49	
Sugar in process.....	5,322.85	
		\$340,680.09
Expenses:		
Cost of beets (33,272 tons).....	175,123.43	
Farming operations.....	17,076.16	
Insurance.....	1,707.00	
Maintenance drills and implements.....	543.80	
Sugar-plant operation.....	74,728.48	
Sugar-plant maintenance.....	3,584.60	
		<u>272,763.47</u>
Operating profit.....		67,916.62
Deduct:		
Depreciation of furniture and fixtures.....	451.94	
General expenses.....	11,397.50	
Interest and discount.....	8,788.03	
Taxes.....	245.80	
		<u>20,883.27</u>
Total earnings for year.....		<u>47,033.35</u>

Beets paid for, 33,272 tons; sugar produced, 62,526 bags.

Granulated sugar statement, Mar. 31, 1905.

Sugar on hand Mar. 31, 1904	None.
Sugar sold to Mar. 31, 1905, 21,910 bags, at \$5.17 (net).....	\$113,389.49
Sugar on hand Mar. 31, 1905, 40,616 bags, at \$5.25.....	213,234.00
	<u>326,623.49</u>

Sugar sacked, 62,526 bags; sugar sold to March 31, 1905, 21,910 bags; on hand March 31, 1905, 40,616 bags.

UTAH-IDAHO SUGAR Co.—BALANCE SHEETS AND BUSINESS STATEMENTS FEB. 28, 1908, TO FEB. 28, 1911.

Balance sheet. Feb. 29, 1908.

ASSETS.

Permanent property and equipment:		
Plant accounts.....		\$7,084,814.76
Lehi.....	\$1,387,909.97	
Garland.....	905,403.93	
Idaho Falls.....	1,089,315.06	
Sugar City.....	1,476,354.06	
Blackfoot.....	1,041,286.74	
Nampa.....	1,182,885.65	
Payette.....	1,659.35	

Permanent property and equipment—Continued.

Real estate.....		\$495,485.06
Lehi.....	\$56,245.59	
Garland (land account).....	251,260.12	
Idaho Falls.....	70,210.55	
Sugar City.....	21,797.50	
Blackfoot.....	26,250.25	
Nampa.....	55,004.50	
Payette.....	14,716.55	
Railroads.....		137,377.01
Corinne Spur.....	18,059.87	
Point Lookout Ry.....	58,143.75	
Idaho Falls.....	24,115.64	
Sugar City.....	25,057.75	
Payette Valley Ry.....	12,000.00	
Canal system.....		3,854,356.94
East side.....	553,057.53	
West side.....	3,277,238.46	
Bear Lake Reservoir.....	24,060.95	
Lime quarry, Lehi.....		3,000.00
Stockyards.....		5,395.98
Garland.....	3,699.69	
Sugar City.....	1,696.29	
Saratoga Springs resort.....		23,932.32
Farm improvements.....		29,926.82
Idaho Falls.....	18,387.14	
Sugar City.....	9,858.54	
Nampa.....	1,681.14	
Power plant and transportation line.....		374,087.69
Canyon house.....		3,846.94
Car tanks.....		473.09
Garland town site.....		24,110.43
Garland light system.....		12,104.64
Water stocks.....		1,536.00
Horses, wagons, and farm implements.....		88,972.77
Lehi.....	9,809.05	
Garland.....	14,360.13	
Idaho Falls.....	16,685.00	
Sugar City.....	23,977.95	
Blackfoot.....	7,576.00	
Nampa.....	16,564.64	
Furniture and fixtures.....		18,073.62
Lehi.....	1,938.88	
Garland.....	2,687.47	
Idaho Falls.....	3,684.51	
Sugar City.....	2,110.02	
Blackfoot.....	1,353.72	
Nampa.....	2,585.84	
General office.....	3,713.18	
Total permanent property and equipment.....		12,157,494.07

Cash and convertible assets:

Cash.....		40,509.63
Lehi.....	294.25	
Garland.....	9,482.47	
Idaho Falls.....	47.67	
Sugar City.....	9,367.91	
Blackfoot.....	714.39	
Nampa.....	1,977.84	
General office.....	18,720.44	
Accounts receivable.....		156,054.98
Lehi.....	1,966.35	
Garland.....	3,664.81	
Idaho Falls.....	6,032.38	
Sugar City.....	4,099.72	
Blackfoot.....	4,962.27	
Nampa.....	4,808.75	
General office.....	130,520.70	

Cash and convertible assets—Continued.

Bills receivable.....		\$7, 300. 00
Granulated sugar on hand.....		3, 900, 880. 50
Lehi.....	\$830, 049. 00	
Garland.....	683, 764. 12	
Idaho Falls.....	731, 445. 00	
Sugar City.....	762, 180. 37	
Blackfoot.....	494, 220. 38	
Nampa.....	399, 221. 63	
Sugar in process.....		60, 804. 83
Lehi.....	7, 452. 43	
Garland.....	10, 911. 80	
Idaho Falls.....	8, 710. 22	
Sugar City.....	7, 776. 98	
Blackfoot.....	15, 917. 91	
Nampa.....	10, 035. 49	
Discounted notes.....		25, 000. 00
Molasses.....		59, 875. 27
Lehi.....	4, 658. 50	
Garland.....	11, 357. 50	11, 357. 50
Idaho Falls.....	14, 021. 70	
Sugar City.....	8, 628. 55	
Blackfoot.....	11, 641. 35	
Nampa.....	9, 567. 67	
Cattle and sheep.....		86, 994. 33
Lehi.....	1, 964. 00	
Garland.....	2, 221. 50	
Idaho Falls.....	439. 08	
Sugar City.....	71, 389. 25	
Blackfoot.....	10, 980. 50	
Seed.....		77, 964. 83
Lehi.....	9, 915. 39	
Garland.....	11, 837. 10	
Idaho Falls.....	11, 182. 30	
Sugar City.....	15, 919. 62	
Blackfoot.....	7, 304. 47	
Nampa.....	21, 805. 95	
Pulp.....		10, 850. 00
Lehi.....	5, 250. 00	
Garland.....	700. 00	
Idaho Falls.....	700. 00	
Sugar City.....	3, 675. 00	
Blackfoot.....	525. 00	
Interest due.....		4, 517. 64
Land notes.....		11, 539. 95
Unpaid water contracts.....		13, 260. 08
Unpaid water rents.....		10, 239. 59
Farmers' accounts.....		6, 023. 78
Idaho Falls.....	333. 50	
Sugar City.....	434. 77	
Blackfoot.....	103. 64	
Nampa.....	5, 151. 87	
Hay and grain.....		13, 940. 74
Idaho Falls.....	4, 816. 80	
Sugar City.....	3, 868. 50	
Blackfoot.....	1, 283. 34	
Nampa.....	3, 972. 10	
Total cash and convertible assets.....		4, 485, 756. 15

Deferred charges to operations:

Sugar plant operating material.....		100, 493. 71
Lehi.....	15, 025. 16	
Garland.....	23, 206. 51	
Idaho Falls.....	17, 421. 07	
Sugar City.....	15, 102. 96	
Blackfoot.....	8, 149. 59	
Nampa.....	21, 588. 42	

Deferred charges to operations—Continued.

Sugar plant maintenance material.....		\$38, 141. 03
Lehi.....	\$8, 835. 20	
Garland.....	6, 531. 58	
Idaho Falls.....	4, 671. 31	
Sugar City.....	6, 165. 09	
Blackfoot.....	4, 853. 84	
Nampa.....	7, 084. 01	
Farming operations.....		37, 343. 15
Lehi.....	4, 800. 00	
Garland.....	10, 497. 15	
Idaho Falls.....	4, 739. 50	
Sugar City.....	9, 649. 13	
Blackfoot.....	3, 560. 11	
Nampa.....	4, 097. 26	
Boarding houses.....	1, 659. 90	1, 659. 90
Blacksmith shop.....	359. 08	359. 08
Barn account.....	124. 50	124. 50
Power-plant operation and maintenance.....	868. 63	868. 63
Canal equipment and maintenance material.....		11, 416. 38
Freight prepaid on sugar.....		82, 542. 54
Total deferred charges to operations.....		272, 948. 92
Total assets.....		16, 916, 199. 14

LIABILITIES.

Capital stock.....		\$11, 102, 180. 00
Preferred.....	\$8, 102, 180. 00	
Common.....	3, 000, 000. 00	
Bonds.....		1, 030, 000. 00
Series A.....	204, 000. 00	
Series B.....	826, 000. 00	
		12, 132, 180. 00
Current liabilities:		
Bills payable.....		3, 576, 773. 08
Accrued interest on bonds and notes.....		13, 921. 99
Accounts payable.....		56, 265. 69
Lehi.....	5, 018. 45	
Garland.....	5, 074. 98	
Idaho Falls.....	8, 854. 57	
Sugar City.....	8, 921. 15	
Blackfoot.....	8, 152. 23	
Nampa.....	14, 842. 18	
General office.....	5, 402. 13	
Pay roll.....		18, 881. 69
Lehi.....	3, 878. 35	
Garland.....	75. 10	
Idaho Falls.....	3, 145. 83	
Sugar City.....	4, 671. 54	
Blackfoot.....	2, 958. 71	
Nampa.....	4, 152. 16	
Contracts for deeds and water rights.....		8, 306. 76
Labor bond account.....		317. 00
Suspense account.....		229. 02
Total current liabilities.....		3, 674, 695. 23
Undivided profits.....		1, 109, 323. 91
Total liabilities.....		16, 916, 199. 14

Statement No. 1.—Factory operations for year ended Feb. 29, 1908.

Earnings:	
Granulated sugar.....	\$4, 615, 939. 72
Sugar in process.....	3, 393. 15
Molasses.....	35, 771. 41
Pulp.....	23, 603. 57

Earnings—Continued.

Seed and planting.....	\$38,191.27	
Cattle and sheep.....	850.35	
Blacksmith shop.....	2.27	
Lime sales.....	581.36	
Rentals.....	5,556.98	
Ice.....	4.35	
		<hr/> \$4,723,894.43

Expenses:

Cost of beets.....	2,187,395.99	
Molasses purchased.....	1,574.72	
Sugar plant, operating.....	939,274.95	
Sugar plant, maintenance.....	267,809.89	
Stockyards, maintenance.....	586.46	
Farming operations.....	104,694.71	
Clubhouse operations.....	1,583.63	
Boarding-house operations.....	813.63	
Garland light system, maintenance.....	585.32	
Barn account.....	88.37	
Garland town site.....	323.93	
Insurance.....	24,550.74	
Railroad maintenance.....	942.35	
		<hr/> 3,530,224.69

Factory, operating profits..... 1,193,669.74

Deduct:

General expenses.....	84,379.18	
Taxes.....	72,144.37	
Damages for personal injuries.....	2,470.55	
		<hr/> 158,994.10

Net factory profits¹..... 1,034,675.64

Beets paid for, 422,530 tons; sugar produced, 1,083,005 bags.

Statement No. 2.—Land and canal system operations, year ended Feb. 29, 1908.

Earnings: Water rentals..... \$37,152.43

Expenses:

Canal operation, maintenance, and expenditures..... 32,144.32

Operating profit..... 5,008.11

Add: Interest on water and land notes..... 6,200.86

11,208.97

Deduct:

Water contracts ²	\$6,188.55	
Land account ²	5,080.81	
		<hr/> 11,269.36

Net loss land and canal operations³..... 60.39

Statement No. 3.—Power-plant operations, year ended Feb. 29, 1908.

Earnings: Sales of power..... \$67,316.58

Expenses:

Operation, maintenance, and expenditures..... 17,860.93

Operating profit¹..... 49,455.65

¹ Profits carried to Statement No. 4.

² These accounts were credited in previous fiscal year for payments made on contracts for deed and water right, and debits made in this year to correct entry as accounts should not receive credit until contracts are paid in full.

³ Loss carried to statement No. 4.

Statement No. 4.—Statement showing final divisible surplus for year ended Feb. 29, 1908.

From the accompanying statements of earnings, expenses, and taxes, the following are brought forward from statements Nos. 1, 2, and 3:

Net factory operating profits.....	\$1, 034, 675. 64
Net land and canal operating losses.....	60. 39
Net power-plant operating profits.....	49, 455. 65
	<hr/>
	1, 084, 070. 90

Deduct:

General expenses, general office.....	\$65, 016. 72
Interest on notes.....	148, 451. 63
Interest on bonds, series A.....	11, 491. 34
Interest on bonds, series B.....	45, 430. 00
	<hr/>
	270, 389. 69

Final net profits from operations after payment of all interest..	813, 681. 21
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Deduct:

Adjustments to profit and loss other than direct charges actually affecting operations—

Depreciation furniture and fixtures.....	\$4, 496. 39
Depreciation H. W. & F. I.....	8, 607. 91
Petty adjustments to P. & L.....	2, 261. 52
Notes and accounts considered worthless.....	65, 622. 75
Farmers' accounts considered worthless.....	1, 886. 44
Amount paid holders of Western Idaho S. Co. options for capital stock.....	50, 000. 00
20 per cent of following accounts, as they appear on general ledger charged to profit and loss—	
Payette Valley R. R.....	3, 000. 00
Railroad Consolidated, Sugar City.....	6, 264. 43
Railroad Consolidated, Idaho Falls.....	6, 028. 91
	<hr/>
	148, 168. 35

Final divisible surplus carried to undivided profits.....	665, 512. 86
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Statement No. 5.—Statement of undivided profits, year ended Feb. 29, 1908.

Undivided profits Mar. 1, 1907.....	\$867, 415. 40
Add: Net profit year ended Feb. 29, 1908.....	665, 512. 86
	<hr/>
	1, 532, 928. 26

Deduct:

Three dividends paid on preferred capital stock of \$8,102,180 at 7 per cent per annum, payable quarterly.....	423, 604. 35
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Total undivided profits Feb. 29, 1908.....	1, 109, 323. 91
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Granulated sugar statement, year ended Feb. 29, 1908.

ON HAND FEB. 28, 1908.

Lehi.....	20, 122, 400 pounds, at \$0.04125 per pound.....	\$830, 049. 00
Garland.....	16, 576, 100.....	683, 764. 12
Idaho Falls..	17, 732, 000.....	731, 445. 00
Sugar City...	18, 477, 100.....	762, 180. 37
Blackfoot....	11, 981, 100.....	494, 220. 38
Nampa.....	9, 678, 100.....	399, 221. 63
	<hr/>	
	94, 566, 800.....	3, 900, 880. 50

SOLD DURING YEAR.

Lehi factory:

27, 518, 700 pounds actually sold.
 6, 000 pounds remelted and charged sugar in process.
 10, 900 pounds short in 1907 inventory.

27, 535, 600 pounds, at \$0.0439168 per pound net... \$1, 209, 275. 21

Garland:

15, 172, 800 pounds actually sold.
 8, 200 pounds remelted and charged sugar in process.

15, 181, 000 pounds, at \$0.0439168 per pound net... 666, 700. 85

Idaho Falls:

11, 822, 800 pounds actually sold.
 8, 600 pounds remelted and charged sugar in process.

11, 831, 400 pounds, at \$0.0439168 per pound net... 519, 597. 16

Sugar City:

17, 157, 100 pounds actually sold.
 38, 600 pounds remelted and charged sugar in process.
 74, 100 pounds short in 1907 inventory.

17, 269, 800 pounds, at \$0.0439168 per pound net... 758, 434. 26

Blackfoot:

9, 654, 000 pounds actually sold.
 26, 900 pounds short in 1907 inventory.

9, 680, 900 pounds, at \$0.0439168 per pound net.. 425, 154. 09

Nampa:

10, 726, 300 pounds actually sold.
 133, 200 pounds remelted and charged sugar in process.
 127, 200 pounds short in 1907 inventory.

10, 986, 700 pounds, at \$0.0439168 per pound net.. 482, 500. 65

92, 485, 400 pounds, at \$0.0439168 total sold net..... \$4, 061, 662. 22

187, 052, 200 pounds total sold and on hand..... 7, 962, 542. 72

ON HAND FEB. 28, 1907.

Lehi.....	18, 758, 000 pounds, at \$0.0425 per pound	\$797, 215. 00
Garland.....	14, 431, 500.....	613, 338. 75
Idaho Falls..	11, 482, 700.....	488, 014. 75
Sugar City...	16, 232, 500.....	689, 881. 25
Blackfoot....	9, 058, 500.....	384, 986. 25
Nampa.....	8, 780, 400.....	373, 167. 00

78, 743, 600 pounds total on hand Feb. 28, 1907..... 3, 346, 603. 00

PRODUCTION FOR YEAR ENDED FEB. 29, 1908.

Lehi.....	28, 900, 000 pounds, at \$0.042621 per pound	\$1, 231, 764. 01
Garland.....	17, 317, 500.....	738, 099. 42
Idaho Falls..	18, 080, 700.....	770, 628. 22
Sugar City...	19, 514, 400.....	831, 734. 79
Blackfoot....	12, 603, 500.....	537, 181. 23
Nampa.....	11, 884, 400.....	506, 532. 05

108, 300, 500 pounds..... 4, 615, 939. 72

187, 044, 100 pounds on hand and produced.

Garland 8,100 pounds over inventory of 1907.

Balance sheet Feb. 28, 1909.

ASSETS.

Permanent property and equipment:

Plants—

Lehi.....	\$1,403,560.95
Garland.....	911,475.89
Idaho Falls.....	1,106,436.43
Sugar City.....	1,481,187.25
Blackfoot.....	1,046,696.10
Nampa.....	1,183,768.34
Payette.....	1,659.35

\$7,134,784.31

Real estate—

Lehi.....	51,956.04
Garland (land account).....	250,510.12
Idaho Falls.....	70,210.55
Sugar City.....	23,597.50
Blackfoot.....	26,330.30
Nampa.....	55,937.12
Payette.....	14,716.55

493,258.18

Railroads—

Corinne spur.....	18,059.87
Point Lookout spur.....	58,143.75
Idaho Falls department.....	18,086.73
Sugar City department.....	18,793.32
Payette Valley Railroad.....	9,000.00

122,083.67

Canal system—

East side.....	553,057.53
West side.....	3,277,238.46
Bear Lake Reservoir.....	24,060.95

3,854,356.94

Lime quarries—

Lehi.....	3,000.00
Arco.....	9,002.29

12,002.29

Stockyards—

Garland.....	3,872.00
Sugar City.....	1,696.29

5,568.29

Saratoga Springs resort.....

23,364.43

Farm improvements—

Idaho Falls.....	18,387.14
Sugar City.....	9,858.54
Nampa.....	1,681.14

29,926.82

Power plant and transmission line.....

373,986.39

Canyon House.....

3,846.94

Car tanks.....

473.09

Garland townsite.....

21,073.02

Garland light system.....

11,318.23

Water stocks.....

1,536.00

Horses, wagons, and farm implements—

Lehi.....	9,894.20
Garland.....	11,987.28
Idaho Falls.....	13,945.00
Sugar City.....	22,887.80
Blackfoot.....	8,129.20
Nampa.....	16,957.55

83,801.03

Furniture and fixtures—

Lehi.....	1,604.16
Garland.....	2,322.66
Idaho Falls.....	3,033.80
Sugar City.....	1,701.43

Permanent property and equipment—Continued.

Furniture and fixtures—Continued.

Blackfoot.....	\$1,342.38	
Nampa.....	2,341.04	
General office.....	3,399.80	
		<u>\$15,745.27</u>

Total permanent property and equipment..... 12,187,124.90

Cash and convertible assets:

Cash—

Lehi.....	466.07	
Garland.....	6,177.84	
Idaho Falls.....	1,751.14	
Sugar City.....	8,284.47	
Blackfoot.....	385.28	
Nampa.....	4,352.21	
General office.....	327,815.57	
		<u>349,232.58</u>

Accounts receivable—

Lehi.....	1,951.83	
Garland.....	1,403.73	
Idaho Falls.....	6,205.55	
Sugar City.....	3,144.92	
Blackfoot.....	5,328.77	
Nampa.....	2,372.56	
General office.....	584,177.55	
		<u>604,584.91</u>

Bills receivable—

Idaho Falls.....	82.60	
General office.....	302,966.83	
		<u>303,049.43</u>

Accrued interest—

Garland.....	3,500.00	
General office.....	1,378.05	
		<u>4,878.05</u>

Granulated sugar—

Lehi.....	427,032.38	
Garland.....	313,640.25	
Idaho Falls.....	379,755.75	
Sugar City.....	380,378.62	
Blackfoot.....	196,156.13	
Nampa.....	231,099.00	
		<u>1,928,062.13</u>

Sugar in process—

Lehi.....	7,881.16	
Garland.....	7,288.44	
Idaho Falls.....	39,444.54	
Sugar City.....	9,744.71	
Blackfoot.....	12,974.80	
Nampa.....	10,165.21	
		<u>87,498.86</u>

Molasses—

Lehi.....	8,027.40	
Garland.....	18,555.25	
Idaho Falls.....	6,879.35	
Sugar City.....	4,181.11	
Blackfoot.....	8,760.70	
Nampa.....	9,065.14	
		<u>55,468.95</u>

Cattle and sheep—

Lehi.....	2,698.00	
Garland.....	3,482.65	
Blackfoot.....	247.50	
		<u>6,428.15</u>

Seed—

Lehi.....	462.00	
Garland.....	10,248.70	

Cash and convertible assets—Continued.**Seed—Continued.**

Idaho Falls.....	\$8,333.03	
Sugar City.....	11,453.50	
Blackfoot.....	6,700.72	
Nampa.....	8,597.27	
		<u>\$45,795.22</u>

Pulp—

Lehi.....	5,000.00	
Garland.....	2,002.00	
Idaho Falls.....	350.00	
Sugar City.....	3,955.00	
Blackfoot.....	525.00	
Nampa.....	350.00	
		<u>12,182.00</u>

Land notes..... 7,400.40

Unpaid water contracts..... 10,222.28

Unpaid water rents..... 7,691.10

Farmers' accounts—

Idaho Falls.....	436.28	
Sugar City.....	79.66	
Blackfoot.....	101.90	
		<u>617.84</u>

Hay and grain—

Idaho Falls.....	3,048.25	
Sugar City.....	3,408.40	
Blackfoot.....	3,120.00	
Nampa.....	1,406.18	
		<u>10,982.83</u>

Total cash and convertible assets..... 3,434,094.73

Deferred charges to operations:**Coal, coke, lime rock, supplies, and advance charges on Osmose campaign—**

Lehi.....	\$22,235.28	
Garland.....	24,861.25	
Idaho Falls.....	20,092.03	
Sugar City.....	23,299.42	
Blackfoot.....	18,851.62	
Nampa.....	36,340.75	
		<u>145,680.35</u>

Farming operations—

Lehi.....	4,325.00	
Garland.....	10,623.34	
Idaho Falls.....	2,580.25	
Sugar City.....	3,188.79	
Blackfoot.....	4,346.00	
Nampa.....	2,695.86	
		<u>27,759.24</u>

Boarding and club houses..... 1,986.19

Barn account..... 328.80

Power-plant operations, maintenance and equipment materials.... 1,848.27

Blacksmith shop..... 486.47

Foundry..... 195.70

Canal equipment and maintenance material..... 9,822.03

Total deferred charges to operations..... 188,107.05

Total assets..... 15,809,326.68

LIABILITIES.**Capital stock:**

Preferred.....	\$8,102,180.00	
Common.....	3,000,000.00	
		<u>\$11,102,180.00</u>

Bonds:

Series A.....	\$194,000.00	
Series B.....	826,000.00	
		<u>\$1,020,000.00</u>
		<u>12,122,180.00</u>

Current liabilities:

Bills payable.....		2,161,098.00
Accounts payable—		
Lehi.....	112.50	
Garland.....	5,500.62	
Sugar city.....	4,364.39	
General office.....	16,193.77	
		<u>26,171.28</u>
Pay roll—		
Lehi.....	2,849.20	
Garland.....	4,465.05	
Sugar city.....	2,459.00	
Blackfoot.....	2,679.24	
		<u>12,452.49</u>
Freights and discounts on granulated sugar sales.....		68,030.43
Contracts for deed and water rights.....		8,333.87
Labor bond deposits.....		245.00
Medical fund—		
Sugar city.....	354.40	
Blackfoot.....	25.05	
		<u>379.45</u>
Suspense.....		33.80
Total current liabilities.....		<u>2,276,744.32</u>
Undivided profits.....		<u>1,410,402.36</u>
Total liabilities.....		<u>15,809,326.68</u>

Statement No. 1.— Factory operations for year ended Feb. 28, 1909.

Earnings:

Granulated sugar.....	\$4,527,097.67	
Dividends received.....	240.00	
Cattle and sheep.....	489.71	
Sugar in process.....	26,694.03	
Lime sales.....	2,252.45	
Molasses.....	23,973.30	
Pulp.....	39,755.32	
Rentals.....	5,644.97	
Seed and planting.....	26,202.76	
		<u>\$4,652,350.21</u>

Expenses:

Cost of beets.....	2,202,033.82	
Sugar plant, operating....	883,286.99	
Sugar plant, maintenance.....	274,801.45	
Farming operations.....	28,852.85	
Engineering.....	2,771.11	
Insurance.....	18,340.20	
Boarding and club house, operating.....	2,022.01	
Railroad, maintenance.....	1,073.98	
Barn account.....	44.74	
Blacksmith shop, operating.....	67.50	
Garland town site, maintenance.....	403.39	
Garland light system, maintenance.....	98.02	
Stock yards, maintenance.....	238.46	
		<u>3,414,034.52</u>

Factory, operating profits.....	<u>1,238,315.69</u>
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Deduct:

General expenses.....	\$78,438.75	
Taxes.....	74,158.95	
Damages for personal injuries.....	4,135.72	
		<u>\$156,733.42</u>

Net factory profits ¹..... 1,081,582.27

*Statement No. 2.—Land and canal system operations, year ended Feb. 28, 1909.***Earnings:**

Water rents.....	\$31,696.66	
Water contracts issued.....	1,687.70	
Interest on water and land notes.....	4,093.20	
		<u>\$37,477.56</u>

Expenses:

Canal operation, maintenance, and expense.....	34,134.69	
Loss on land account.....	156.11	
		<u>34,290.80</u>

Operating profit ²..... 3,186.76

Statement No. 3.—Power-plant operating, year ended Feb. 28, 1909.

Earnings, sale of power.....	\$82,880.12
Expenses, operations, maintenance, and expense.....	<u>18,930.10</u>

Operating profit ²..... 63,950.02

Statement No. 4.—Statement showing final divisible surplus for year ended Feb. 28, 1909.

From the preceding statements of earnings, expenses, taxes, general expenses, etc., the following are brought forward from statements Nos. 1, 2, and 3:

Net factory operating profit.....	\$1,081,582.27
Net land and canal operating profit	3,186.76
Net power plant operating profit	<u>63,950.02</u>
	1,148,719.05

Deduct:

General expenses G. O.....	\$63,191.39	
Interest on notes.....	112,278.73	
Interest on bonds, series A	11,890.00	
Interest on bonds, series B	49,560.00	
		<u>236,920.12</u>

Final net profits from operations after payment of all interest.... 911,798.93

Deduct adjustments to profit and loss other than direct charges actually affecting operations:

Depreciation furniture and fixtures.....	4,656.19	
Depreciation horses, wagons, and farm implements.....	12,873.63	
Petty adjustments to profit and loss.....	1,356.19	
Notes and accounts considered worthless.....	1,791.48	
Farmers' accounts considered worthless.....	7,471.05	
Settlement with Cache Valley farmers.....	126.00	
Twenty per cent of original cost of building following railroad accounts charged off—		
Payette Valley Railroad.....	3,000.00	
Railroad construction, Idaho Falls.....	6,028.91	
Railroad construction, Sugar City.....	6,264.43	
		<u>43,567.88</u>

Final divisible surplus carried to undivided profits..... 868,231.05

¹ Profits carried to Statement No. 4: Beets paid for, 423,483 tons; sugar produced, 987,013 bags.

² Profit carried to statement No. 4.

Statement No. 5.—Statement of undivided profits, year ended Feb. 28, 1909.

Undivided profits Mar. 1, 1908.....	\$1, 109, 323. 91
Add net profit year ended Feb. 28, 1909.....	868, 231. 05
	<hr/>
	1, 977, 554. 96
Deduct four dividends on preferred stock of \$8,102,180, at 7 per cent per annum, payable quarterly, Mar. 31, June 30, Sept. 30, and Dec. 31, 1908.....	567, 152. 60
	<hr/>
Total undivided profits Feb. 28, 1909.....	1, 410, 402. 36

Granulated sugar statement year ended Feb. 28, 1909.

On hand Feb. 28, 1909:

	Pounds.	
Lehi.....	10, 352, 300, at \$0.04125 per pound...	\$427, 032. 38
Garland....	7, 603, 400, at \$0.04125 per pound...	313, 640. 25
Idaho Falls.	9, 206, 200, at \$0.04125 per pound...	379, 755. 75
Sugar City..	9, 221, 300, at \$0.04125 per pound...	380, 378. 62
Blackfoot...	4, 755, 300, at \$0.04125 per pound...	196, 156. 13
Nampa.....	5, 602, 400, at \$0.04125 per pound...	231, 099. 00
	<hr/>	
	46, 740, 900, at \$0.04125 per pound.....	\$1, 928, 062. 13

Sold during year:

Lehi.....	37, 568, 900, at \$0.0443417 per pound.	1, 665, 868. 70
Garland....	27, 534, 100, at \$0.0443417 per pound.	1, 220, 908. 67
Idaho Falls.	23, 606, 000, at \$0.0443417 per pound.	1, 046, 730. 06
Sugar City..	28, 309, 900, at \$0.0443417 per pound.	1, 255, 308. 95
Blackfoot...	16, 576, 300, at \$0.0443417 per pound.	735, 021. 24
Nampa.....	12, 991, 800, at \$0.0443417 per pound.	576, 078. 42
	<hr/>	
Total sold.	146, 587, 000, at \$0.0443417 net per pound	6, 499, 916. 04

Total sold
and on
hand....

193, 327, 900.....	8, 427, 978. 17
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On hand Feb. 28, 1908:

	Pounds.	
Lehi.....	20, 122, 400, at \$0.04125 per pound...	830, 049. 00
Garland....	16, 576, 100, at \$0.04125 per pound...	683, 764. 12
Idaho Falls.	17, 732, 000, at \$0.04125 per pound...	731, 445. 00
Sugar City..	18, 477, 100, at \$0.04125 per pound...	762, 180. 37
Blackfoot...	11, 981, 100, at \$0.04125 per pound...	494, 220. 38
Nampa.....	9, 678, 100, at \$0.04125 per pound...	399, 221. 63
	<hr/>	
Total on h a n d Feb. 28, 1908....	94, 566, 800.....	3, 900, 880. 50

Production for year ended Feb. 28, 1909:

	Pounds.	
Lehi.....	27, 805, 000, at \$0.0458666 per pound.	1, 275, 322. 10
Garland....	18, 586, 500, at \$0.0458666 per pound.	852, 500. 43
Idaho Falls.	15, 081, 700, at \$0.0458666 per pound.	691, 747. 02
Sugar City..	19, 063, 300, at \$0.0458666 per pound.	874, 369. 64
Blackfoot...	9, 291, 300, at \$0.0458666 per pound.	426, 160. 79
Nampa.....	8, 873, 500, at \$0.0458666 per pound.	406, 997. 69
	<hr/>	
Total pro- duced..	98, 701, 300, at \$0.0458666 per pound.....	4, 527, 097. 67

On hand
and pro-
duced..

193, 268, 100.....	8, 427, 978. 17
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Production for year ended Feb. 28, 1909—Continued.

Net amount over 1908 invoiced as below.	Pounds. 59,800	
Total as per amo u n t sold and on hand. 193,327,900		
Number pounds over in 1908 inventory:		
Blackfoot.....	\$59,200	
Nampa.....	42,600	
		\$101,800
Number pounds short in 1908 inventory:		
Lehi.....	6,200	
Garland.....	25,100	
Idaho Falls.....	1,500	
Sugar City.....	9,200	
		42,000
Net amount over 1908 inventory.....		59,800

Balance sheet, Feb. 28, 1910.

ASSETS.

Permanent property and equipment:

Plants—

Lehi.....	\$1,419,249.29	
Garland.....	937,264.91	
Idaho Falls.....	1,110,662.42	
Sugar City.....	1,477,414.36	
Blackfoot.....	1,049,553.25	
Nampa.....	1,184,784.92	
Payette.....	1,659.35	
		\$7,180,588.50

Real estate—

Lehi.....	51,402.84	
Garland (land account).....	252,783.70	
Idaho Falls.....	70,210.55	
Sugar City.....	23,597.50	
Blackfoot.....	27,089.45	
Nampa.....	55,937.12	
Payette.....	14,716.55	
Goose Creek.....	560.00	
		496,297.71

Railroads—

Corinne Spur.....	18,059.87	
Point Lookout Spur.....	58,143.75	
Idaho Falls Dept.....	12,057.82	
Sugar City Dept.....	12,528.89	
Payette Valley Railroad.....	6,000.00	
		106,790.33

Canal system—

East Side Canal.....	553,057.53	
West Side Canal.....	3,277,238.46	
Bear Lake Reservoir.....	24,060.95	
		3,854,356.94

Lime quarries—

Lehi.....	3,000.00	
Arco.....	9,002.29	
		12,002.29

Stockyards—

Garland.....	3,872.00	
Sugar City.....	1,696.29	
		5,568.29

Permanent property and equipment—Continued.

Farm improvements—

Idaho Falls.....	\$18,387.14
Sugar City.....	9,858.54
Nampa.....	1,681.14

\$29,926.82

Horses, harness, and wagons—

Garland.....	1,893.00
Idaho Falls.....	720.00
Sugar City.....	1,586.50
Blackfoot.....	604.00
Nampa.....	2,620.90

7,424.40

Agricultural implements and drills—

Lehi.....	2,655.00
Garland.....	1,182.00
Idaho Falls.....	1,725.00
Sugar City.....	3,096.00
Blackfoot.....	1,200.00
Nampa.....	3,572.81

13,430.81

Furniture and fixtures—

Lehi.....	1,515.37
Garland.....	2,083.46
Idaho Falls.....	2,507.94
Sugar City.....	1,659.33
Blackfoot.....	1,155.57
Nampa.....	1,979.40
General office.....	2,951.16

13,852.23

Power plant and transportation line.....

373,714.79

Canyon house.....

3,846.94

Car tanks.....

473.09

Garland town site.....

29,970.73

Garland light system.....

14,805.54

Saratoga Springs resort.....

23,364.43

Water stock.....

1,536.00

Total permanent property and equipment.....

12,167,949.84

Cash and convertible assets:

Cash—

Lehi.....	976.18
Garland.....	10,347.95
Idaho Falls.....	5,501.57
Sugar City.....	10,106.32
Blackfoot.....	67.94
Nampa.....	480.15
General office.....	171,715.98

199,196.09

Accounts receivable—

Lehi.....	6,338.46
Garland.....	3,642.82
Idaho Falls.....	8,998.05
Sugar City.....	4,712.19
Blackfoot.....	9,190.78
Nampa.....	3,603.48
General office.....	139,911.82

176,397.60

Bills receivable—

Sugar City.....	670.85
Blackfoot.....	565.29
General office.....	347,300.00

348,536.14

Granulated sugar—

Lehi.....	664,488.00
Garland.....	434,539.88
Idaho Falls.....	525,289.87

Cash and convertible assets—Continued.

Granulated sugar—Continued.

Sugar City.....	\$491,844.38	
Blackfoot.....	253,427.62	
		\$2,369,589.75

Accrued interest—

Garland.....	2,165.00	
General office.....	7,213.80	
		9,378.80

Sugar in process—

Lehi.....	4,662.66	
Garland.....	4,426.36	
Idaho Falls.....	6,565.22	
Sugar City.....	6,711.24	
Blackfoot.....	10,407.88	
Nampa.....	10,738.79	
		43,512.15

Molasses—

Lehi.....	18,085.30	
Garland.....	39,096.00	
Idaho Falls.....	25,281.00	
Sugar City.....	19,822.00	
Blackfoot.....	10,553.67	
Nampa.....	1,088.50	
		113,926.47

Cattle and sheep—

Lehi.....	4,112.00	
Garland.....	6,827.00	
Blackfoot.....	215.00	
		11,154.00

Seed—

Lehi.....	26,340.88	
Garland.....	12,006.50	
Idaho Falls.....	12,963.74	
Sugar City.....	15,974.47	
Blackfoot.....	4,523.45	
Nampa.....	6,244.75	
		78,053.79

Pulp—

Lehi.....	4,050.00	
Garland.....	1,124.55	
Idaho Falls.....	175.00	
Sugar City.....	630.00	
		5,979.55

Farmers' accounts—

Idaho Falls.....	232.20	
Sugar City.....	28.68	
Blackfoot.....	190.53	
		451.41

Hay and grain—

Garland.....	2,244.40	
Idaho Falls.....	3,766.00	
Sugar City.....	2,811.27	
Blackfoot.....	1,840.00	
Nampa.....	2,009.00	
		12,670.67

Land notes.....	3,677.50
Unpaid water contracts.....	7,069.99
Unpaid water rents.....	8,540.50

Total cash and convertible assets..... 3,388,134.41

Deferred charges to operations:

Coal, coke, lime rock, supplies, and advance charges
on intercampaigned Osmose—

Lehi.....	25,764.20
Garland.....	30,643.88

Deferred charges to operations—Continued.

Coal, coke, lime rock, supplies, and advance charges
on intercampaigned Osmose—Continued.

Idaho Falls.....	\$20,697.86	
Sugar City.....	34,283.13	
Blackfoot.....	28,311.68	
Nampa.....	46,360.85	
		<u>\$186,061.60</u>
Farming operations—		
Lehi.....	10,777.90	
Garland.....	16,105.80	
Idaho Falls.....	12,096.50	
Sugar City.....	26,855.39	
Blackfoot.....	11,045.15	
Nampa.....	19,749.03	
		<u>96,629.77</u>
Boarding and clubhouses.....		7,207.67
Barn account.....		404.50
Power plant operation and maintenance materials.....		1,834.62
Blacksmith shop.....		715.66
Foundry.....		1,399.60
Canal equipment and maintenance materials.....		10,207.54
		<u>304,460.96</u>
Total deferred charges to operations.....		<u>15,860,545.21</u>

LIABILITIES.

Capital stock:		
Preferred.....	8,102,180.00	
Common.....	3,000,000.00	
		<u>11,102,180.00</u>
Bonds:		
Series A.....	184,000.00	
Series B.....	826,000.00	
		<u>1,010,000.00</u>
		<u>12,112,180.00</u>
Current liabilities:		
Bills payable.....		1,837,200.00
Accounts payable—		
Lehi.....	\$475.59	
Garland.....	8,247.68	
Sugar City.....	6,766.84	
General office.....	34,914.82	
		<u>50,404.93</u>
Pay roll—		
Lehi.....	1,472.90	
Garland.....	4,586.93	
Sugar City.....	5,636.92	
Blackfoot.....	2,267.96	
Nampa.....	1,085.73	
		<u>15,050.44</u>
Freights and discounts on granulated—		
Sugar sales.....		9,934.10
Taxes payable.....		6,031.72
Labor bond deposits.....		276.00
Medical fund.....		620.86
		<u>1,919,518.05</u>
Total current liabilities.....		<u>200,000.00</u>
Depreciation reserve.....		13,454.78
Contracts for deeds and water rights.....		1,615,392.38
Undivided profits.....		<u>15,860,545.21</u>
Total liabilities.....		<u>15,860,545.21</u>

*Statement No. 1.—Factory operations for year ended Feb. 28, 1910.***Earnings:**

Granulated sugar.....	\$4, 180, 503. 97	
Dividends received.....	237. 00	
Cattle and sheep.....	2, 730. 01	
Molasses.....	112, 202. 15	
Pulp.....	41, 644. 37	
Rentals.....	10, 486. 64	
Seed and planting.....	30, 918. 83	
		<hr/>
		\$4, 378, 722. 97

Expenses:

Cost of beets.....	2, 025, 427. 48	
Experimental.....	1, 435. 14	
Insurance.....	5, 676. 00	
Molasses purchased.....	1, 695. 25	
Sugar plant operating.....	761, 534. 24	
Sugar plant maintenance.....	175, 743. 15	
Sugar in process.....	44, 560. 29	
Saratoga Springs maintenance.....	498. 55	
Company houses.....	5, 875. 97	
Boarding house and clubhouse operation.....	1, 614. 27	
Garland town site maintenance.....	2, 325. 62	
Lime cake.....	32. 10	
Railroads maintenance.....	977. 97	
Farming operations.....	101, 605. 21	
		<hr/>
		3, 129, 001. 24

Factory operating profits..... 1, 249, 721. 73

Deduct:

General expenses.....	77, 410. 94	
Taxes.....	71, 992. 75	
		<hr/>
		149, 403. 69

Net factory profits..... 1, 100, 318. 04

Profits carried to statement No. 4.

Beets paid for, 384,995 tons. Sugar produced, 912,514 bags.

*Statement No. 2.—Power plant operations, year ended Feb. 28, 1910.***Earnings:**

Power sold.....	\$88, 322. 06	
Operating branch lines.....	1, 309. 47	
		<hr/>
		\$89, 631. 53

Expenses: Operations, maintenance, and expenses..... 24, 985. 41

Power plant operating profit..... 64, 646. 12

Profit carried to statement No. 4.

*Statement No. 3.—Land and canal operations, year ended Feb. 28, 1910.***Earnings:**

Water rentals.....	\$43, 511. 77	
Water contracts issued.....	2, 214. 10	
Profit on land account.....	3, 526. 95	
Interest on land and water notes.....	2, 968. 01	
		<hr/>
		\$52, 220. 83

Expenses:

Land and canal operations, maintenance, and expenses..... 27, 956. 36

Total land and canal profit..... 24, 264. 47

Profit carried to statement No. 4.

Statement No. 4.—Showing final divisible surplus for year ended Feb. 28, 1910.

From the preceding statements of earnings, expenses, taxes, general expenses, etc., the following are brought forward from statements 1, 2, and 3:

Net factory operating profit.....	\$1, 100, 318. 04
Net power plant operating profit.....	64, 646. 12
Net land and canal operating profit.....	24, 264. 47

1, 189, 228. 63

Deduct:

Taxes.....	\$6, 460. 92
General expenses.....	67, 371. 25
Interest and discount.....	49, 581. 02
Interest on bonds.....	60, 850. 00
Insurance.....	26. 70

184, 289. 89

Final net profits from operations after payment of all interest, taxes, general expenses, etc.....	1, 004, 938. 74
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Deduct:

Adjustments to profit and loss other than direct charges actually effecting operations—

Farmers accounts considered worthless.....	\$17, 262. 00
Notes and accounts considered worthless.....	7, 256. 16
20 per cent of original cost of building following railroads charged off—	
Payette Valley R. R.....	3, 000. 00
Railroad construction, Sugar City.....	6, 264. 43
Railroad construction, Idaho Falls.....	6, 128. 91

39, 911. 50

965, 027. 24

Add: Petty adjustments to profit and loss account.....	7, 115. 38
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Final divisible surplus carried to undivided profits.....	972, 142. 62
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Statement No. 5.—Statement of undivided profits year ended Feb. 28, 1910.

Undivided profits Mar. 1, 1909.....	\$1, 410, 402. 36
Add: Net profit year ended Feb. 28, 1910.....	972, 142. 62

2, 382, 544. 98

Deduct:

Amount set aside as depreciation reserve.....	\$200, 000. 00
Four dividends on preferred stock of \$8,102,180 at 7 per cent per annum, payable quarterly, Mar. 31, June 30, Sept. 30, and Dec. 31, 1909.....	567, 152. 60

767, 152. 60

Total undivided profits Feb. 28, 1910.....	1, 615, 392. 38
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Granulated sugar statement, year ended Feb. 28, 1910.

On hand Feb. 28, 1910:

Lehi.....	16, 108, 800 pounds, at \$0.04125 per pound.....	\$664, 488. 00
Garland.....	10, 534, 300 pounds, at \$0.04125 per pound.....	434, 539. 88
Idaho Falls.....	12, 734, 300 pounds, at \$0.04125 per pound.....	525, 289. 87
Sugar City..	11, 923, 500 pounds, at \$0.04125 per pound.....	491, 844. 38
Blackfoot...	6, 143, 700 pounds, at \$0.04125 per pound.....	253, 427. 62

57, 444, 600 pounds, at \$0.04125 per pound.....

\$2, 369, 589. 75

Sold during year:

Lehi.....	10,340,800 pounds, 1908-9 product, at \$0.04685458.....	\$484,513.82	
Do.....	15,022,100 pounds, 1909-10 product, at \$0.04565613.....	685,851.07	\$1,170,364.89
Garland....	7,604,100 pounds, 1908-9 product, at \$0.04685458.....	356,286.91	
Do.....	9,334,300 pounds, 1909-10 product, at \$0.04565613.....	426,168.09	782,455.00
Idaho Falls.	9,201,800 pounds, 1908-9 product, at \$0.04685458.....	431,146.47	
Do.....	3,043,700 pounds, 1909-10 product, at \$0.04565613.....	138,963.58	570,110.05
Sugar City..	9,311,900 pounds, 1908-9 product, at \$0.04685458.....	436,305.16	
Do.....	5,094,900 pounds, 1909-10 product, at \$0.04565613.....	232,613.45	668,918.61
Blackfoot...	4,770,700 pounds, 1908-9 product, at \$0.04685458.....	223,529.14	
Do.....	1,311,800 pounds, 1909-10 product, at \$0.04565613.....	59,891.72	283,420.86
Nampa.....	5,628,200 pounds, 1908-9 product, at \$0.04685458..	263,706.94	
Total.....	46,857,500 pounds, 1908-9 product, at \$0.04685458..	2,195,488.44	
	33,806,800 pounds, 1909-10 product, at \$0.04565613.	1,543,487.91	
	80,664,300 pounds, at \$0.046352306.....	3,738,976.35	
Total sold and on hand, 138,108,900 pounds.....			6,108,566.10

On hand Feb. 28, 1909:

Lehi.....	10,352,300 pounds, at \$0.04125.....	427,032.38
Garland....	7,603,400 pounds, at \$0.04125.....	313,640.25
Idaho Falls.	9,206,200 pounds, at \$0.04125.....	379,755.75
Sugar City..	9,221,300 pounds, at \$0.04125.....	380,378.62
Blackfoot..	4,755,300 pounds, at \$0.04125.....	196,156.13
Nampa.....	5,602,400 pounds, at \$0.04125.....	231,099.00

46,740,900 pounds, at \$0.04125..... 1,928,062.13

Production for year ended Feb. 28, 1910:

Lehi.....	31,130,900 pounds, at \$0.045219.....	1,407,820.51
Garland....	19,868,600 pounds, at \$0.045466.....	903,354.63
Idaho Falls.	15,778,000 pounds, at \$0.045357.....	715,644.17
Sugar City..	17,018,400 pounds, at \$0.045855.....	780,384.37
Blackfoot..	7,455,500 pounds, at \$0.045697.....	340,692.35
Nampa.....		32,607.94

91,251,400 pounds, at \$0.04581303..... 4,180,503.97

137,992,300

116,600 net amount over 1909 in-
ventory as below.

138,108,900 total as per amount sold
and on hand.

Number of pounds over in 1909 inventory:

Garland.....	700	
Sugar City.....	90,600	
Blackfoot.....	15,400	
Nampa.....	25,800	132,500

Number of pounds short in 1909 inventory:

Lehi.....	11,500	
Idaho Falls.....	4,400	15,900

Net amount over 1909 inventory..... 116,600

Balance sheet, Feb. 28, 1911.

ASSETS.

Permanent property and equipment:

Plants—

Lehi.....	\$1, 352, 455. 00
Garland.....	955, 005. 09
Idaho Falls.....	1, 131, 310. 23
Sugar City.....	1, 483, 804. 97
Blackfoot.....	1, 049, 503. 25
Nampa.....	1, 185, 711. 67
Sevier.....	99, 046. 18

\$7, 256, 836. 39

Real estate—

Lehi.....	55, 145. 51
Garland (land account).....	257, 454. 98
Idaho Falls.....	64, 595. 25
Sugar City.....	23, 597. 50
Blackfoot.....	27, 638. 29
Goose Creek.....	12, 560. 00
Nampa.....	55, 150. 42
Payette.....	14, 716. 55
Sevier.....	26, 751. 50

537, 610. 00

Railroads—

Corinne Spur.....	18, 059. 87
Point Lookout Spur.....	58, 143. 75
Idaho Falls department.....	6, 028. 91
Sugar City department.....	6, 264. 45
Payette Valley R. R.....	3, 000. 00

91, 496. 98

Canal system—

East Side Canal.....	553, 057. 53
West Side Canal.....	2, 277, 238. 46
Bear Lake Reservoir.....	1, 000. 00

2, 831, 295. 99

Lime quarries—

Lehi.....	3, 000. 00
Arco.....	9, 002. 29

12, 002. 29

Stockyards—

Garland.....	3, 872. 00
Sugar City.....	1, 696. 29
Blackfoot.....	150. 00

5, 718. 29

Farm improvements—

Idaho Falls.....	18, 387. 14
Sugar City.....	9, 858. 54
Nampa.....	1, 681. 14

29, 926. 82

Horses, harness, and wagons—

Lehi.....	860. 00
Garland.....	1, 950. 00
Idaho Falls.....	1, 265. 00
Sugar City.....	1, 511. 75
Blackfoot.....	550. 00
Nampa.....	2, 081. 45
Sevier.....	547. 85

8, 766. 05

Agricultural implements and drills—

Lehi.....	2, 765. 00
Garland.....	1, 057. 00
Idaho Falls.....	1, 751. 86
Sugar City.....	2, 608. 50
Blackfoot.....	1, 175. 51
Nampa.....	1, 506. 00
Sevier.....	76. 89

10, 940. 76

Permanent property and equipment—Continued.

Furniture and fixtures—

General office.....	\$2,922.36
Lehi.....	1,310.02
Garland.....	2,366.10
Idaho Falls.....	2,454.12
Sugar City.....	1,964.11
Blackfoot.....	1,431.07
Nampa.....	1,547.12
Sevier.....	212.05

\$14,206.95

Power plant and transmission line.....

376,902.37

Car tanks.....

473.09

Garland town site.....

39,406.18

Garland light system.....

14,695.28

Saratoga Springs resort.....

23,617.54

Water stock.....

1,536.00

Total permanent property and equipment..... 11,255,430.98

Cash and convertible assets:

Cash—

General office.....	247,344.21
Lehi.....	6,613.06
Garland.....	3,753.00
Idaho Falls.....	317.77
Sugar City.....	614.36
Blackfoot.....	477.24
Nampa.....	567.42
Sevier.....	980.46

258,071.06

Bills receivable—

General office.....	86,670.00
Sugar City.....	1,462.87
Blackfoot.....	538.51

88,671.38

Accounts receivable—

General office.....	209,652.72
Lehi.....	8,279.98
Garland.....	9,639.09
Idaho Falls.....	9,919.84
Sugar City.....	7,715.05
Blackfoot.....	3,600.48
Nampa.....	8,228.48
Sevier.....	275.25

257,310.89

Granulated sugar—

Lehi.....	412,732.00
Garland.....	418,740.00
Idaho Falls.....	493,588.00
Sugar City.....	419,824.00
Blackfoot.....	300.00
Nampa.....	42,728.00

1,787,912.00

Accrued interest—

General office.....	637.38
Garland.....	2,500.00

3,137.38

Sugar in process—

Lehi.....	4,159.87
Garland.....	39,859.37
Idaho Falls.....	38,609.63
Sugar City.....	7,720.14
Blackfoot.....	10,028.13
Nampa.....	2,855.40

103,232.54

Cash and convertible assets—Continued.

Molasses—		
Lehi.....	\$10,226.00	
Garland.....	14,272.00	
Idaho Falls.....	14,266.00	
Sugar City.....	9,496.00	
Blackfoot.....	2,068.00	
Nampa.....	3,438.95	
		<u>\$53,766.95</u>
Cattle and sheep—		
Lehi.....	3,362.00	
Garland.....	6,733.70	
		<u>10,095.70</u>
Seed—		
Lehi.....	23,982.80	
Garland.....	14,482.70	
Idaho Falls.....	14,492.36	
Sugar City.....	12,313.95	
Blackfoot.....	8,531.47	
Nampa.....	1,074.42	
Sevier.....	6,995.83	
		<u>81,783.53</u>
Pulp—		
Lehi.....	3,000.00	
Garland.....	1,225.00	
Idaho Falls.....	175.00	
Sugar City.....	525.00	
		<u>4,925.00</u>
Farmers' accounts—		
Idaho Falls.....	362.58	
Sugar City.....	42.19	
Blackfoot.....	275.88	
Nampa.....	9,383.64	
		<u>10,064.29</u>
Hay and grain—		
Lehi.....	2,762.00	
Garland.....	2,365.55	
Idaho Falls.....	4,494.00	
Sugar City.....	2,211.30	
Blackfoot.....	2,891.75	
Nampa.....	2,211.66	
		<u>16,936.26</u>
Land notes.....		2,159.17
Unpaid water contracts.....		7,224.50
Unpaid water rents.....		11,000.00
Stocks, bonds, and securities.....		1,500.00
Farming operations, recollectible.....		10,585.02
Total cash and convertible assets.....		<u><u>2,708,445.67</u></u>
Deferred charges to operations:		
Fuel—		
Lehi.....	4,124.70	
Garland.....	3,279.60	
Idaho Falls.....	2,875.94	
Sugar City.....	7,950.55	
Blackfoot.....	2,959.91	
Nampa.....	4,452.55	
		<u>25,643.25</u>
Lime rock—		
Lehi.....	964.20	
Garland.....	2,403.18	
Idaho Falls.....	2,286.18	
Sugar City.....	3,528.16	
Blackfoot.....	1,972.63	
Nampa.....	1,555.50	
		<u>12,709.85</u>

Deferred charges to operations—Continued.**Boarding-house operations—**

Garland.....	\$1,603.53
Canyon house.....	212.43
Idaho Falls.....	1,138.02
Sugar City.....	2,533.25
Blackfoot.....	560.70

\$6,047.93**Clubhouse operations—**

Garland.....	856.39
Idaho Falls.....	547.93
Sugar City.....	1,075.88

2,480.20**Farming operations—**

Lehi.....	7,834.67
Garland.....	15,701.38
Idaho Falls.....	12,586.01
Sugar City.....	23,252.75
Blackfoot.....	13,552.70
Nampa.....	14,448.46
Sevier.....	666.38

88,042.35**Foundry operations—**

Lehi.....	634.44
Sugar City.....	569.25
Nampa.....	367.35

1,571.04**Store—**

Lehi.....	19,625.06
Garland.....	17,476.33
Canyon store.....	205.00
Idaho Falls.....	20,702.84
Sugar City.....	24,015.03
Blackfoot.....	20,342.13
Nampa.....	26,351.14

128,717.53**Barn account..... 662.56****Power-plant operation and maintenance materials..... 5,218.45****Blacksmith shop..... 647.11****Land and canal equipment and maintenance material..... 12,967.53****Railroads maintenance (ties on hand)..... 412.50****Advance charges on crop, 1911, against Sevier factory..... 1,144.85****Total deferred charges to operations..... 286,265.15****Total assets..... 14,250,141.80****LIABILITIES.****Capital stock and bonded indebtedness:****Capital stock—**

Preferred, 944,909 shares, at \$10.....	\$9,449,090.00
Common, 147 shares, at \$10.....	1,470.00

\$9,450,560.00**Bonds—**

Series A.....	179,000.00
Series B.....	826,000.00

1,005,000.00**Total capital and bonds..... 10,455,560.00****Current liabilities:****Bills payable..... 1,221,800.00****Accounts payable—**

General office.....	4,510.60
Lehi.....	500.15
Garland.....	1,074.68
Idaho Falls.....	1,052.03
Sugar City.....	5,476.60
Blackfoot.....	211.27
Nampa.....	166.15

12,991.48

Current liabilities—Continued.

Bills payable—Continued.

Pay roll—

Lehi.....	\$3,831.85
Garland.....	4,632.28
Idaho Falls.....	2,361.20
Sugar City.....	2,312.88
Blackfoot.....	1,477.06
Nampa.....	340.66
Sevier.....	1,393.23

\$16,349.16

Medical fund—

Idaho Falls.....	7.45
Sugar City.....	512.56
Blackfoot.....	174.00
Nampa.....	26.95

720.96

Freights and discounts on sugar sales.....	12,633.39
Taxes payable.....	7,120.56
Labor bond deposits.....	225.00

Total current liabilities.....	1,271,840.55
Depreciation reserve.....	924,471.30
Contracts for deeds and water rights (P/P on long-time contracts for land and water sold).....	13,161.38
Undivided profits.....	1,585,108.57

Total liabilities..... 14,250,141.80

Statement No. 1.—Factory operations for year ended Feb. 28, 1911.

Total beets paid for.....	tons..	277,638
Total sugar sacked.....	bags..	709,658

Earnings:

Granulated sugar.....	\$3,304,597.43
Cattle and sheep.....	573.33
Molasses earnings and expenses.....	23,975.94
Pulp earnings and expenses.....	26,481.04
Rentals.....	12,825.21
Seed and planting.....	28,650.41
Sugar in process.....	60,293.97
	\$3,457,397.33

Expenses:

Boarding and club house operations.....	4,873.90
Cost of beets.....	1,499,211.00
Company houses.....	5,896.03
Engineering.....	527.64
Experimental.....	885.48
Farming operations.....	151,720.95
Garland town site, maintenance.....	2,880.69
Insurance.....	5,465.70
Lime cake.....	249.52
Molasses purchased.....	2,912.44
Railroad, maintenance.....	1,604.25
Sugar plant, operating.....	535,783.25
Sugar plant, maintenance.....	179,527.69
	2,391,538.54

Factory operating profits..... 1,065,858.79

Deduct:

General expenses.....	71,158.25
Taxes.....	76,012.75

147,171.00

Net factory profits, exclusive of general office expenses, farmers'
accounts, lost notes, and accounts, statement No. 4..... 918,687.79¹ Profits carried to statement No. 4.

Statement No. 2.—Power plant operations for year ended Feb. 28, 1911.

Earnings:	
Electric energy sold.....	\$78,436.43
Operating branch line.....	2,599.57
	<u>\$81,036.00</u>
Expenses:	
Operating, maintenance, and expense.....	27,912.61
	<u>53,123.39</u>
Total power plant operating profit ¹	

Statement No. 3.—Land and canal operations for year ended Feb. 28, 1911.

Earnings:	
Water rentals.....	\$42,222.59
Water contracts issued.....	6,907.05
Interest on land and water notes.....	5,128.12
Profit on land account.....	2,640.71
	<u>\$56,898.47</u>
Expenses:	
Land and canal operations, maintenance and expense.....	28,088.76
	<u>28,809.71</u>
Total land and canal profit ¹	

Statement No. 4.—Statement showing final divisible surplus for year ended Feb. 28, 1911.

From the preceding statements of earnings, expenses, taxes, general expenses, etc., the following are brought forward from statements 1, 2, and 3:

Factory operating profits.....	\$918,687.79
Power plant operating profits.....	53,123.39
Land and canal operating profits.....	28,809.71
	<u>1,000,620.89</u>

Deduct:

General office—

General expenses.....	\$72,775.30
Insurance.....	26.70
Interest and discount.....	29,227.10
Interest on bonds.....	60,425.00
Taxes.....	7,442.36
	<u>169,896.46</u>

Profits from operations after payment of all interest, taxes, general expenses, etc.....	830,724.43
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Adjustments to earnings and expenses other than direct charges actually affecting operations:

Farmers' accounts (lost).....	5,499.64
Notes and accounts (lost).....	872.24
20 per cent of original cost of building following railroads charged to this year's earnings and expenses:	
Payette Valley Railroad.....	3,000.00
Railroad construction, Sugar City.....	6,264.44
Railroad construction, Idaho Falls.....	6,028.91
	<u>21,665.23</u>

	809,059.20
Adjustments to profit and loss account.....	<u>1,477.64</u>

Final divisible surplus carried to undivided profits.....	807,581.56
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Statement No. 5.—Statement of undivided profits year ended Feb. 28, 1911.

Undivided profits Mar. 1, 1910.....	\$1,615,392.38
Add net profit year ended Feb. 28, 1911.....	807,581.56
	<u>2,422,973.94</u>

¹ Profits carried to statement No. 4.

Deduct:	
Amount set aside for depreciation.....	\$200,000.00
Four dividends on preferred stock of \$8,102,180 at 7 per cent per annum, payable quarterly, Mar. 1, June 30, Sept. 30, and Dec. 31, 1910.....	567,152.60
Three dividends paid on \$1,346,910 preferred stock, at 7 per cent, issued in exchange for common, paid June 30, Sept. 30, and Dec. 31, 1910.....	70,712.77
	<u>\$837,865.37</u>
Total undivided profits Feb. 28, 1911.....	1,585,108.57

Granulated sugar statement year ended Feb. 28, 1911.

On hand Feb. 28, 1911:	
	Pounds.
Lehi.....	10,318,300, at \$0.04.....
Garland.....	10,468,500, at \$0.04.....
Idaho Falls.....	12,339,700, at \$0.04.....
Sugar City.....	10,495,600, at \$0.04.....
Blackfoot.....	7,500, at \$0.04.....
Nampa.....	1,068,200, at \$0.04.....
	<u>44,697,800</u>
	<u>\$1,787,912.00</u>

Sold during year:	
	Pounds.
Lehi.....	16,101,400—1909-10 product at \$0.048011909.....
Do.....	15,620,400—1910-11 product at \$0.043187907.....
	<u>1,447,671.33</u>
Garland.....	10,449,200—1909-10 product at \$0.048011909.....
Do.....	6,025,000—1910-11 product at \$0.043187907.....
	<u>761,893.18</u>
Idaho Falls.....	12,745,600—1909-10 product at \$0.048011909.....
Do.....	1,918,700—1910-11 product at \$0.043187907.....
	<u>694,805.23</u>
Sugar City.....	11,917,500—1909-10 product at \$0.048011909.....
Do.....	2,558,900—1910-11 product at \$0.043187907.....
	<u>682,695.47</u>
Blackfoot.....	6,089,600—1909-10 product at \$0.043187907.....
Nampa.....	158,300—1910-11 product at \$0.043187907.....
	<u>292,373.32</u>
	<u>6,836.65</u>
Total.....	57,303,300—1909-10 product at \$0.048011909.....
Total.....	26,281,300—1910-11 product at \$0.043187907.....
	<u>2,751,240.83</u>
	<u>1,135,034.35</u>
Total.....	<u>83,584,600</u>
Total sold and on hand.....	<u>128,282,400</u>
	<u>5,674,187.18</u>

On hand Feb. 28, 1910:	
	Pounds.
Lehi.....	16,108,800 at \$0.04125.....
Garland.....	10,534,300 at .04125.....
Idaho Falls.....	12,734,300 at .04125.....
Sugar City.....	11,923,500 at .04125.....
Blackfoot.....	6,143,700 at .04125.....
	<u>57,444,600 at .04125.....</u>
	<u>2,369,589.75</u>

Production for year ended Feb. 28, 1911:

Pounds.		
Lehi.....	25,938,700 at \$0.04610544.....	\$1,195,915.33
Garland.....	16,493,500 at .04523559.....	746,093.30
Idaho Falls....	14,258,400 at .04650615.....	663,103.36
Sugar City.....	13,054,500 at .04677889.....	610,675.09
Nampa.....	1,220,700 at .04060346.....	49,564.65
Blackfoot.....		39,245.70
70,965,800 at .04656605.....		\$3,304,597.43
128,410,400		
128,000 net amount short as below.		
128,282,400 total as per amount sold and on hand.		

Number of pounds short in 1910 inventory:

Lehi.....	7,400
Garland.....	85,100
Sugar City.....	6,000
Blackfoot.....	46,600
	145,100

Number of pounds over in 1910 inventory:

Idaho Falls.....	11,300
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Amount short in 1910 inventory.....	133,800
Number bags on hand at Nampa last year not inventoried but included in inventory Feb. 28, 1911.....	5,800
Net amount short.....	128,000

Statement of dividends paid Mar. 31, 1902 to June 30, 1911 by companies now known as Utah-Idaho Sugar Co.

Total amount paid.....	\$4,011,641.83
Amount paid on stock standing in following names: ¹	
Thos. R. Cutler, trustee.....	\$32,013.80
Jno. C. Cutler, trustee.....	32,013.80
H. G. Whitney, trustee.....	32,013.80
Arthur Donner.....	774,994.26
C. R. Heike.....	774,995.72
American Sugar Refining Co.....	325,535.00
H. C. Mott.....	60,600.70
Estate H. O. Havemeyer.....	20,277.25
	2,052,444.33
Amount paid to balance of stockholders.....	1,959,197.50

List of dividends paid on stock standing in the names of trustees.
T. R. CUTLER.

Date paid.	Name of company.	Kind of stock.	No. shares.	Amount.
Mar. 31, 1902	Utah Sugar Co., No. 26.....	Preferred..	24,721	\$7,416.30
June 30, 1902	Utah Sugar Co., No. 27.....	do.....	24,721	7,416.30
Sept. 30, 1902	Utah Sugar Co., No. 28.....	do.....	28,104	8,431.20
Dec. 31, 1902	The Utah Sugar Co., No. 1.....	do.....	50,000	8,750.00
				32,013.80

JOHN C. CUTLER.

Mar. 31, 1902	Utah Sugar Co., No. 26.....	Preferred..	24,721	\$7,416.30
June 30, 1902	Utah Sugar Co., No. 27.....	do.....	24,721	7,416.30
Sept. 30, 1902	Utah Sugar Co., No. 28.....	do.....	28,104	8,431.20
Dec. 31, 1902	The Utah Sugar Co., No. 1.....	do.....	50,000	8,750.00
				32,013.80

¹ Details on following sheets.

List of dividends paid on stock standing in the names of trustees—Continued.

H. G. WHITNEY.

Date paid.	Name of company.	Kind of stock.	No. shares.	Amount.
Mar. 31, 1902	Utah Sugar Co., No. 26.....	Preferred..	24,721	\$7,416.30
June 30, 1902	Utah Sugar Co., No. 27.....	do.....	24,721	7,416.30
Sept. 30, 1902	Utah Sugar Co., No. 28.....	do.....	28,104	8,431.20
Dec. 31, 1902	The Utah Sugar Co., No. 1.....	do.....	50,000	8,750.00
				32,013.80

ARTHUR DONNER.

Mar. 31, 1903	The Utah Sugar Co., No. 2.....	Preferred..	75,000	\$13,125.00
June 30, 1903	The Utah Sugar Co., No. 3.....	do.....	75,000	13,125.00
Sept. 30, 1903	The Utah Sugar Co., No. 4.....	do.....	75,000	13,125.00
Dec. 31, 1903	The Utah Sugar Co., No. 5.....	do.....	75,000	13,125.00
Mar. 31, 1904	The Utah Sugar Co., No. 6.....	do.....	75,000	13,125.00
June 30, 1904	The Utah Sugar Co., No. 7.....	do.....	75,000	13,125.00
Sept. 30, 1904	The Utah Sugar Co., No. 8.....	do.....	75,000	13,125.00
Dec. 31, 1904	The Utah Sugar Co., No. 9.....	do.....	75,000	13,125.00
Mar. 31, 1905	The Utah Sugar Co., No. 10.....	do.....	75,000	13,125.00
June 30, 1905	The Utah Sugar Co., No. 11.....	do.....	75,000	13,125.00
Sept. 30, 1905	The Utah Sugar Co., No. 12.....	do.....	75,000	13,125.00
Dec. 31, 1905	The Utah Sugar Co., No. 13.....	do.....	75,000	13,125.00
Mar. 31, 1906	The Utah Sugar Co., No. 14.....	do.....	70,000	12,250.00
June 30, 1906	The Utah Sugar Co., No. 15.....	do.....	70,000	12,250.00
Sept. 30, 1906	The Utah Sugar Co., No. 16.....	do.....	70,000	12,250.00
Dec. 31, 1906	The Utah Sugar Co., No. 17.....	do.....	70,000	12,250.00
Mar. 31, 1907	The Utah Sugar Co., No. 18.....	do.....	70,000	12,250.00
June 30, 1907	The Utah Sugar Co., No. 19.....	do.....	70,000	12,250.00
Mar. 31, 1905	The Utah Sugar Co., No. 1.....	Common..	75,000	9,375.00
June 30, 1905	The Utah Sugar Co., No. 2.....	do.....	75,000	9,375.00
Sept. 30, 1905	The Utah Sugar Co., No. 3.....	do.....	75,000	9,375.00
Feb. 1, 1905	Fremont Sugar Co., No. 1.....	do.....	25,000	3,750.00
May 1, 1905	Fremont Sugar Co., No. 2.....	do.....	25,000	3,750.00
May 2, 1904	Idaho Sugar Co., No. 1.....	do.....	24,999	3,749.85
Aug. 1, 1904	Idaho Sugar Co., No. 2.....	do.....	24,999	3,749.85
Nov. 1, 1904	Idaho Sugar Co., No. 3.....	do.....	24,999	3,749.85
Feb. 1, 1905	Idaho Sugar Co., No. 4.....	do.....	24,999	3,749.85
May 1, 1905	Idaho Sugar Co., No. 5.....	do.....	24,999	3,749.85
Aug. 1, 1905	The Idaho Sugar Co., No. 1.....	do.....	55,000	8,250.00
Nov. 1, 1905	The Idaho Sugar Co., No. 2.....	do.....	75,000	11,250.00
Feb. 1, 1906	The Idaho Sugar Co., No. 3.....	do.....	87,500	13,125.00
Mar. 31, 1907	The Idaho Sugar Co., No. 4.....	do.....	87,500	13,125.00
June 29, 1907	The Idaho Sugar Co., No. 5.....	do.....	87,500	13,125.00
Apr. 10, 1907	Western Idaho Sugar Co., No. 1.....	do.....	25,000	4,375.00
July 10, 1907	Western Idaho Sugar Co., No. 2.....	do.....	25,000	4,375.00
Sept. 30, 1907	Utah-Idaho Sugar Co., No. 1.....	do.....	197,500	34,562.50
Dec. 31, 1907	Utah-Idaho Sugar Co., No. 2.....	do.....	197,500	34,562.50
Mar. 31, 1908	Utah-Idaho Sugar Co., No. 3.....	do.....	197,500	34,562.50
June 30, 1908	Utah-Idaho Sugar Co., No. 4.....	do.....	197,500	34,562.50
Sept. 30, 1908	Utah-Idaho Sugar Co., No. 5.....	do.....	197,500	34,562.50
Dec. 31, 1908	Utah-Idaho Sugar Co., No. 6.....	do.....	197,500	34,562.50
Mar. 31, 1909	Utah-Idaho Sugar Co., No. 7.....	do.....	198,775	34,785.62
June 30, 1909	Utah-Idaho Sugar Co., No. 8.....	do.....	198,775	34,785.63
Sept. 30, 1909	Utah-Idaho Sugar Co., No. 9.....	do.....	108,775	34,785.63
Dec. 31, 1909	Utah-Idaho Sugar Co., No. 10.....	do.....	198,775	34,785.63
Mar. 31, 1910	Utah-Idaho Sugar Co., No. 11.....	do.....	198,775	34,785.63
June 30, 1910	Utah-Idaho Sugar Co., No. 12.....	do.....	232,525	40,691.87
				774,994.26

C. R. HEIKE.

Mar. 31, 1903	The Utah Sugar Co., No. 2.....	Preferred..	75,000	\$13,125.00
June 30, 1903	The Utah Sugar Co., No. 3.....	do.....	75,000	13,125.00
Sept. 30, 1903	The Utah Sugar Co., No. 4.....	do.....	75,000	13,125.00
Dec. 31, 1903	The Utah Sugar Co., No. 5.....	do.....	75,000	13,125.00
Mar. 31, 1904	The Utah Sugar Co., No. 6.....	do.....	75,000	13,125.00
June 30, 1904	The Utah Sugar Co., No. 7.....	do.....	75,000	13,125.00
Sept. 30, 1904	The Utah Sugar Co., No. 8.....	do.....	75,000	13,125.00
Dec. 31, 1904	The Utah Sugar Co., No. 9.....	do.....	75,000	13,125.00
Mar. 31, 1905	The Utah Sugar Co., No. 10.....	do.....	75,000	13,125.00
June 30, 1905	The Utah Sugar Co., No. 11.....	do.....	75,000	13,125.00
Sept. 30, 1905	The Utah Sugar Co., No. 12.....	do.....	75,000	13,125.00
Dec. 31, 1905	The Utah Sugar Co., No. 13.....	do.....	75,000	13,125.00
Mar. 31, 1906	The Utah Sugar Co., No. 14.....	do.....	70,000	12,250.00
June 30, 1906	The Utah Sugar Co., No. 15.....	do.....	70,000	12,250.00
Sept. 29, 1906	The Utah Sugar Co., No. 16.....	do.....	70,000	12,250.00
Dec. 31, 1906	The Utah Sugar Co., No. 17.....	do.....	70,000	12,250.00
Mar. 31, 1907	The Utah Sugar Co., No. 18.....	do.....	70,000	12,250.00

List of dividends paid on stock standing in the names of trustees—Continued.

C. R. HEIKE—Continued.

Date paid.	Name of company.	Kind of stock.	No. shares.	Amount.
June 30, 1907	The Utah Sugar Co., No. 19.....	Preferred..	70,000	\$12,250.00
Mar. 31, 1905	The Utah Sugar Co., No. 1.....	Common..	75,000	9,375.00
June 30, 1905	The Utah Sugar Co., No. 2.....	do.....	75,000	9,375.00
Sept. 30, 1905	The Utah Sugar Co., No. 3.....	do.....	75,000	9,375.00
Feb. 1, 1905	Fremont Co. Sugar Co., No. 1.....	do.....	25,000	3,750.00
May 1, 1905	Fremont Co. Sugar Co., No. 2.....	do.....	25,000	3,750.00
May 2, 1904	Idaho Sugar Co., No. 1.....	do.....	25,001	3,750.15
Aug. 1, 1904	Idaho Sugar Co., No. 2.....	do.....	25,001	3,750.15
Nov. 1, 1904	Idaho Sugar Co., No. 3.....	do.....	25,001	3,750.15
Feb. 1, 1905	Idaho Sugar Co., No. 4.....	do.....	25,001	3,750.15
May 1, 1905	Idaho Sugar Co., No. 5.....	do.....	25,001	3,750.15
Aug. 1, 1905	The Idaho Sugar Co., No. 1.....	do.....	55,000	8,250.00
Nov. 1, 1905	The Idaho Sugar Co., No. 2.....	do.....	75,000	11,250.00
Feb. 1, 1906	The Idaho Sugar Co., No. 3.....	do.....	87,500	13,125.00
Mar. 31, 1907	The Idaho Sugar Co., No. 4.....	do.....	87,500	13,125.00
June 29, 1907	The Idaho Sugar Co., No. 5.....	do.....	87,500	13,125.00
Apr. 10, 1907	Western Idaho Sugar Co., No. 1.....	do.....	25,000	4,375.00
July 10, 1907	Western Idaho Sugar Co., No. 2.....	do.....	25,000	4,375.00
Sept. 30, 1907	Utah-Idaho Sugar Co., No. 1.....	do.....	197,500	34,562.50
Dec. 31, 1907	Utah-Idaho Sugar Co., No. 2.....	do.....	197,500	34,562.50
Mar. 31, 1908	Utah-Idaho Sugar Co., No. 3.....	do.....	197,500	34,562.50
June 30, 1908	Utah-Idaho Sugar Co., No. 4.....	do.....	197,500	34,562.50
Sept. 30, 1908	Utah-Idaho Sugar Co., No. 5.....	do.....	197,500	34,562.50
Dec. 31, 1908	Utah-Idaho Sugar Co., No. 6.....	do.....	197,500	34,562.50
Mar. 31, 1909	Utah-Idaho Sugar Co., No. 7.....	do.....	198,775	34,785.62
June 30, 1909	Utah-Idaho Sugar Co., No. 8.....	do.....	198,775	34,785.62
Sept. 30, 1909	Utah-Idaho Sugar Co., No. 9.....	do.....	198,775	34,785.62
Dec. 31, 1909	Utah-Idaho Sugar Co., No. 10.....	do.....	198,775	34,785.62
Mar. 31, 1910	Utah-Idaho Sugar Co., No. 11.....	do.....	198,775	34,785.62
June 30, 1910	Utah-Idaho Sugar Co., No. 12.....	do.....	232,525	40,691.87
				774,995.72

AMERICAN SUGAR REFINING CO.

Sept. 30, 1910	Utah-Idaho Sugar Co. No. 13.....	Preferred..	465,050	\$81,383.75
Dec. 31, 1910	Utah-Idaho Sugar Co. No. 14.....	do.....	465,050	81,383.75
Mar. 31, 1911	Utah-Idaho Sugar Co. No. 15.....	do.....	465,050	81,383.75
June 30, 1911	Utah-Idaho Sugar Co. No. 16.....	do.....	465,050	81,383.75
				325,535.00

H. C. MOTT.

May 1, 1905	Idaho Sugar Co. No. 5.....	Preferred..	4,209	\$631.35
May 1, 1905	Fremont County Sugar Co. No. 2.....	do.....	7,861	1,179.15
Aug. 1, 1905	The Idaho Sugar Co. No. 1.....	do.....	13,277	1,991.55
Nov. 1, 1905	The Idaho Sugar Co. No. 2.....	do.....	18,057	2,708.55
Feb. 1, 1906	The Idaho Sugar Co. No. 3.....	do.....	21,067	3,160.05
Mar. 31, 1907	The Idaho Sugar Co. No. 4.....	do.....	21,067	3,160.05
June 29, 1907	The Idaho Sugar Co. No. 5.....	do.....	21,067	3,160.05
Sept. 30, 1907	Utah-Idaho Sugar Co. No. 1.....	do.....	23,174	4,055.45
Dec. 31, 1907	Utah-Idaho Sugar Co. No. 2.....	do.....	23,174	4,055.45
Mar. 31, 1908	Utah-Idaho Sugar Co. No. 3.....	do.....	23,174	4,055.45
June 30, 1908	Utah-Idaho Sugar Co. No. 4.....	do.....	23,174	4,055.45
Sept. 30, 1908	Utah-Idaho Sugar Co. No. 5.....	do.....	23,174	4,055.45
Dec. 31, 1908	Utah-Idaho Sugar Co. No. 6.....	do.....	23,174	4,055.45
Mar. 31, 1909	Utah-Idaho Sugar Co. No. 7.....	do.....	23,174	4,055.45
June 30, 1909	Utah-Idaho Sugar Co. No. 8.....	do.....	23,174	4,055.45
Sept. 30, 1909	Utah-Idaho Sugar Co. No. 9.....	do.....	23,174	4,055.45
Dec. 31, 1909	Utah-Idaho Sugar Co. No. 10.....	do.....	23,174	4,055.45
Mar. 31, 1910	Utah-Idaho Sugar Co. No. 11.....	do.....	23,174	4,055.45
				60,600.70

ESTATE OF H. O. HAVEMEYER.

June 30, 1910	Utah-Idaho Sugar Co. No. 12.....	Preferred..	23,174	\$4,055.45
Sept. 30, 1910	Utah-Idaho Sugar Co. No. 13.....	do.....	23,174	4,055.45
Dec. 31, 1910	Utah-Idaho Sugar Co. No. 14.....	do.....	23,174	4,055.45
Mar. 31, 1911	Utah-Idaho Sugar Co. No. 15.....	do.....	23,174	4,055.45
June 30, 1911	Utah-Idaho Sugar Co. No. 16.....	do.....	23,174	4,055.45
				20,277.25

AFTER RECESS.

MONDAY, JULY 31, 1911.

The committee reconvened at 1.30 o'clock p. m., Hon. Thomas W. Hardwick (chairman) presiding.

TESTIMONY OF MR. TRUMAN G. PALMER—Continued.

The CHAIRMAN. Mr. Madison, will you take up the examination where Mr. Hinds left it?

Mr. MADISON. Mr. Palmer, if you have any tables dealing with questions relevant to the matters which we are called on to investigate, I would be glad to have you produce them in the order in which you wish to present them.

Mr. PALMER. I have here a table which will answer some questions which have been asked relative to the progress of the beet sugar industry by States. This gives the number of factories in operation, the area harvested, the average yield of beets per acre, the amount of sugar in the beets, and so on, which I have compiled from the figures of The Beet Sugar Industry in the United States, by the Department of Agriculture, and rearranged it so as to give it to you by States.

Mr. MADISON. The source of those tables is the work of the Agricultural Department?

Mr. PALMER. Yes.

The CHAIRMAN. Just one question that will cover all of that. Pardon me, Mr. Madison. As to each one of those tables you offer, you give us where you got them?

Mr. PALMER. Yes, sir.

The CHAIRMAN. That table will be Exhibit No. 8?

Mr. PALMER. Yes.

(The table referred to, marked "Exhibit, Palmer, No. 8," will be found printed in full at the end of this day's hearing.)

Mr. PALMER. Quite a number have asked questions about that, and in connection with one table I submitted this morning I would like to make one remark.

The CHAIRMAN. What table is that?

Mr. PALMER. That is the census table.

The CHAIRMAN. No. 5?

Mr. PALMER. Yes; Exhibit No. 5 and the expense of sugar per hundred pounds, which brings it out at 3.67—that is, with beets at the present price of \$6 a ton. When the industry was established east of the Rocky Mountains, in 1890, the price of that same quality of beets was \$4 a ton. Had we not been compelled to pay more money for beets—had we gotten our beets to-day at the same price as we got them then—we would be producing sugar at 0.7911 per hundred pounds cheaper than we are producing it.

The CHAIRMAN. You mean 0.7911 of a cent cheaper?

Mr. PALMER. Yes, sir; which would have brought the present cost down to 2.88 cents as against 3.67. I speak of that as showing how we have worked the cost down in manufacturing, and if the price of beets had not gone up as it has, I say we would be producing sugar for practically three-fourths of a cent less per pound than we are producing it for.

Mr. MADISON. The benefit, then, of any increase or lack of further decrease has gone to the agriculturalist, to the farmer?

Mr. PALMER. Yes, it has gone to the farmer. A matter came up in New York in regard to the foreign export price of sugar. I gave the quotations of the London sugar, Lyle's granulated No. 1.

Mr. MADISON. Just a moment. Does this lead up to the introduction of a table?

Mr. PALMER. Yes.

Mr. MADISON. The reason I asked that is that there are but few members of the committee here now, and the chairman expressed the desire when we started to get these tables in, as that will require very little oral testimony.

Mr. PALMER. Suppose that I lay that aside for the present, because I want to show you some tables in connection with it.

The CHAIRMAN. You can put that in later.

Mr. PALMER. Yes. Here is an interesting little table of the German sugar industry, compiled from the figures of Otto Licht, showing for the years 1835 and 1836, 1886 and 1887, and 1906 and 1907, the acres in beets, the tons of beets harvested, the tons of beets per acre, the sugar extraction, the sugar produced, the number of factories in operation, the total tons of beets worked, and so forth, which I think would be interesting to the committee.

The CHAIRMAN. That will be Exhibit No. 9?

Mr. PALMER. Yes.

(The paper referred to, marked Exhibit Palmer No. 9, will be found printed in full at the end of this day's hearing.)

Mr. PALMER. Different members have asked several times about the Brussels conference. I have here a copy of that, which I made at the time it was signed.

The CHAIRMAN. A copy of the minutes?

Mr. PALMER. No; a copy of the convention that they agreed to.

The CHAIRMAN. Oh, yes; you mean the agreement made at what is called the Brussels conference?

Mr. PALMER. Yes.

The CHAIRMAN. Which I think would be very interesting. We would be glad to have you put that in.

Mr. PALMER. Yes. I also copied out from Willet & Gray's Weekly Statistical Sugar Trade Journal of February 27, 1902, an article on the German sugar syndicates, which is a very complicated question anyhow, but this is as good a description and as plain and lucid a description as I know of as to just how they work their bounty system.

Mr. MADISON. Just how they work their bounty system?

Mr. PALMER. Yes.

The CHAIRMAN. That is not in force now?

Mr. PALMER. No, sir.

The CHAIRMAN. But it has been during a part of this time?

Mr. PALMER. Yes; and if it goes in it should go in along with this.

The CHAIRMAN. Those will be Exhibits Nos. 10 and 11?

Mr. PALMER. Ten and eleven.

(The two papers referred to are marked, respectively, "Exhibit Palmer No. 10" and "Exhibit Palmer No. 11," and will be found printed in full at the end of this day's hearing.)

Mr. PALMER. Mr. Lowry in his circular states that the ad valorem rate of duty on sugar was 78.87 per cent. I have taken from Foreign Commerce and Navigation the average ad valorem rates running back as far as 1900, showing the ad valorem rate of duty collected on sugar imports from 1900 to 1910.

The CHAIRMAN. Inclusive?

Mr. PALMER. Yes.

The CHAIRMAN. Showing the actual percentage on the actual amount imported?

Mr. PALMER. Yes; the duty.

The CHAIRMAN. What is it?

Mr. PALMER. For 1910 it is 52.78 per cent.

The CHAIRMAN. That is taking into account the Cuban differential?

Mr. PALMER. Yes. For 1909 it is 60.80 per cent.

The CHAIRMAN. Why did it figure so much lower in 1910 than in 1909?

Mr. PALMER. It is because sugar went up in value.

The CHAIRMAN. Oh, yes.

Mr. PALMER. An ad valorem is an awfully bad thing to figure on or draw deductions from, because as the price of an article goes up it shows less and less duty.

The CHAIRMAN. So that a low ad valorem would indicate high sugar?

Mr. PALMER. Yes. And it is a bad thing for manufacturing concerns, because, for instance, take it with sugar, the cheaper we have got to sell our sugar to compete with foreign sugar, why, if it was an ad valorem collected, the less duty would be collected on it.

The CHAIRMAN. While that may be true, would not an ad valorem be the fairest duty?

Mr. PALMER. I do not think so.

The CHAIRMAN. It would be more uniform, would it not? No matter what the sugar is worth, you would get exactly the same per cent from year to year, of its value, for duty?

Mr. PALMER. Possibly it would be for fiscal purposes; but for the manufacturer it is bad.

The CHAIRMAN. And from the standpoint of the consumer would it not be better? It strikes me it is just the other way. From the standpoint of fiscal purposes it strikes me it would be more favorable. For instance, if sugar is worth 6 cents a pound this year, and we levy a 50 per cent ad valorem, we get a certain amount of revenue. Next year suppose it would be worth 4 cents, and we would still levy a 50 per cent ad valorem; it would remain about the same. Then we would get one-third less revenue, would we not?

Mr. PALMER. Yes. I know it is bad for the manufacturer.

The CHAIRMAN. I say it is bad for the manufacturer, and I can see how it would be very uncertain from the standpoint of a revenue producer.

Mr. PALMER. Yes. Suppose the duty was 50 per cent.

The CHAIRMAN. Yes.

Mr. PALMER. And suppose the raw sugar landed in New York—just for the sake of the argument—was 3 cents a pound.

The CHAIRMAN. All right.

Mr. PALMER. Then the duty would be $1\frac{1}{2}$ cents?

The CHAIRMAN. Yes.

Mr. PALMER. Now, suppose sugar goes down?

The CHAIRMAN. Yes.

Mr. PALMER. Suppose it goes down to, we will say, 2 cents a pound.

The CHAIRMAN. Two cents; this is just for illustration, of course?

Mr. PALMER. Yes. Then instead of collecting $1\frac{1}{2}$ cents, and instead of the American producers having the protection of $1\frac{1}{2}$ cents, they would have a protection of but 1 cent.

The CHAIRMAN. How about the American consumer? He would have that much more benefit, would he not? Looking at it from the other side, and switching our viewpoint for a moment and considering the man that was not engaged in the cane-sugar or the beet-sugar industry or in any refinery, he would pay that much less, would he not?

Mr. PALMER. Yes, he would pay that much less; but if he is able to pay for his sugar under ordinary circumstances I do not know why, when sugar goes down, he should have that additional benefit, and why, when it goes up, he should be taxed additionally.

The CHAIRMAN. That is, your criticism on it is that if it went up that looks as if it was the time when they should not place more duty, and if it went down, he could stand more duty; is that your criticism?

Mr. PALMER. Yes.

The CHAIRMAN. That would apply to the consumer, too, would it not?

Mr. PALMER. Yes; I think so. I think an ad valorem system of duties works badly not only for the consumer but for the manufacturer. Certainly the time when the consumer could stand or could pay the highest duty is when the sugar is the cheapest, or when whatever article we are considering, which he purchases, is the cheapest.

The CHAIRMAN. And vice versa.

Mr. PALMER. Yes.

The CHAIRMAN. I think that is rather strong. It is a good point. What do you think of it, Judge?

Mr. MADISON. Yes.

Mr. PALMER. Do you want that table?

The CHAIRMAN. Yes; put it in.

(The table referred to, marked "Exhibit Palmer No. 12," will be found printed in full at the end of this day's hearing.)

Mr. PALMER. In connection with that, Mr. Spreckels or Mr. Lowry did not quote the ad valorem rate of duty on any class of sugar that was imported at the time I put out this circular [indicating large circular]. On the other hand, he went away back to 1906 and picked out the ad valorem rate of duty on one particular class of sugar that was not our largest amount imported that year. It did not look fair. There was no more reason why you should pick out one rate, one degree of sugar, than some other degree.

The CHAIRMAN. What degree of sugar did he pick out? That was in 1906, I believe?

Mr. PALMER. It went back to 1906, and he picked out the rate of duty collected on 96° full-duty-paying sugar.

The CHAIRMAN. Is not that the ordinary degree, the standard raw test sugar?

Mr. PALMER. The bulk of it is 95°.

The CHAIRMAN. Everybody bases his sugars on 96, does he not? We want to be fair about it. I know you want to be fair. All this testimony is ordinarily based on 96° raw test sugar.

Mr. MADISON. And in determining what was actually paid you had to take the sugar which was actually imported?

Mr. PALMER. Certainly.

Mr. MADISON. And upon which duty was actually paid. And that is what you have done, as I understand it; you have computed the ad valorem on the duty that actually came through the customhouse?

The CHAIRMAN. He did not make those ad valorems at all. He just copied them.

Mr. PALMER. Yes, I copied that. That is the average of all the importations for each of those years; and he took the rate of duty on \$16,000,000 worth of sugar imported back in 1906.

The CHAIRMAN. Raw sugar, 96° test?

Mr. PALMER. Yes. Now, we imported that year \$29,000,000 worth of 95° sugar, but he did not take that.

The CHAIRMAN. Did we import any 97° sugar that year? I just want to know about that. That table speaks for itself, of course.

Mr. PALMER. I have not given 97° sugar. I have 95° and 96°, which covers the bulk of it.

The CHAIRMAN. That is \$45,000,000, as I understand it—\$16,000,000 and \$29,000,000, you say?

Mr. PALMER. Yes.

The CHAIRMAN. We imported more sugar than that, did we not?

Mr. PALMER. The total duties collected in 1896 were \$52,440,000.

The CHAIRMAN. There were \$7,000,000 besides those two items?

Mr. PALMER. Yes.

The CHAIRMAN. That was from 96° up, was it not? We did not import under 95° to any considerable quantity.

Mr. PALMER. The duty on refined sugar only amounted to \$120,000.

The CHAIRMAN. Yes; but I mean on sugar from 96 degrees up to 98; that is the gross amount?

Mr. PALMER. I have not those figures. There was very little of it.

The CHAIRMAN. The reason I asked that question is because if you take \$16,000,000 and \$7,000,000 that would be pretty nearly half, would it not?

Mr. PALMER. Yes.

The CHAIRMAN. So that if that \$7,000,000 that you have not got accounted for there was raw sugar above 96 degree test, and was not refined sugar——

Mr. PALMER. No; it would be below 95 degrees.

The CHAIRMAN. That is what I was trying to get at.

Mr. PALMER. It would be the low grades or muscovados and 88 degrees, and along in there.

The CHAIRMAN. That is exactly what I want to understand. You say that seven millions is almost altogether below 96 degrees sugar?

Mr. PALMER. Yes.

The CHAIRMAN. And it is not above 96 degrees?

Mr. PALMER. No.

The CHAIRMAN. But it is under 95 degrees?

Mr. PALMER. Yes.

The CHAIRMAN. All right.

Mr. MADISON. Then the error that Mr. Lowry made was in making his figures upon the highest test sugars?

Mr. PALMER. No, sir; he did not take the highest.

Mr. MADISON. He took 96 degrees, did he not?

Mr. PALMER. But he did not take the average.

The CHAIRMAN. He took the ordinary test sugar, 96 degrees?

Mr. PALMER. Yes.

Mr. MADISON. What might he have taken?

Mr. PALMER. He might have taken the year 1907, and taken 96° sugar which was 90.46. I do not know why he took 78.87. Apparently it seemed to please him, that particular figure.

The CHAIRMAN. You did not hear his testimony, did you?

Mr. MADISON. Did you hear Mr. Lowry's testimony?

Mr. PALMER. I think I heard the bulk of it.

The CHAIRMAN. Let me direct your attention to this phase of it. He said he did not make that at all. I think he said he got this from the Ways and Means Committee or some clerk of the Ways and Means Committee, and he compared figures on that subject.

Mr. PALMER. Yes; but right alongside of that is the sugar, ad valorem, which covered several pages in that book, giving all the degrees of sugar imported and the ad valorem worked out.

The CHAIRMAN. Just a moment. At the time that was taken, probably the last year given was 1907, was it not?

Mr. PALMER. 1907.

The CHAIRMAN. So that he took the next to the last year?

Mr. PALMER. That was given in that book.

The CHAIRMAN. Yes; that was given in the report that he quoted from; and he took a 96° test, which is the ordinary standard of raw sugar?

Mr. PALMER. Yes; but he had the Government's figures open to him since that time. I might go back here and quote some book 10 years old.

The CHAIRMAN. That might be true; but in this committee and in these hearings witnesses have often referred to figures obtained in that way, and he took this on the faith of the Committee on Ways and Means of the House of Representatives. He had only one year after that, 1907. He took 1906.

Mr. PALMER. Well, he had perhaps 40 different ad valorems to select from.

The CHAIRMAN. Yes.

Mr. PALMER. Most of which were lower.

The CHAIRMAN. What are your figures on 1906? What do you say was the average?

Mr. PALMER. 61.43.

The CHAIRMAN. 61.43?

Mr. PALMER. These are not my figures.

The CHAIRMAN. When I say "your figures" I mean from the table you are using.

Mr. PALMER. Yes.

The CHAIRMAN. 61.43 instead of 78.87?

Mr. PALMER. Yes.

Mr. MADISON. Where did you get your figures?

Mr. PALMER. From the Department of Foreign Navigation, published by the Bureau of Commerce and Labor. They give the sugars imported there, and the duties collected, and the ad valorem equivalents, worked out; and then they give the detail of it.

The CHAIRMAN. All right. Go on to something else.

Mr. PALMER. I have copied out here from the testimony of Mr. James H. Post, given in Washington June 16, 1899, before the Indus-

trial Commission, the statement furnished to Mr. Post by Mr. Bunker, his general manager, concerning the cost of refining sugar.

The CHAIRMAN. Just a moment. I find that here in this report from the Bureau of Corporations, somewhere. I wish you would look at this and see if that is the same thing on page 16 of this report [handing report to witness].

Mr. PALMER. No; this is not.

The CHAIRMAN. That is not the same thing?

Mr. PALMER. No, sir.

Mr. MADISON. That says just "Capacity of refineries."

Mr. PALMER. That is as to the capacity.

The CHAIRMAN. Yes; that is not it; I beg your pardon.

Mr. MADISON. You are giving the cost of refining?

Mr. PALMER. Yes.

The CHAIRMAN. I can not find in this report of the Bureau of Corporations what I thought was here. You might as well proceed.

Mr. PALMER. He brings out the cost, aside from the losses through refining, the elimination of the dirt and the water, and the loss of sugar, and brings out the cost at 34.8 cents per hundred pounds. In the testimony of Mr. Charles Lyle, the London refiner, given in the report of the Tariff Commission of Great Britain, volume 7, witness No. 117, Mr. Lyle gives the cost in Great Britain as £1 10s., which is equal to 32½ cents per hundred pounds, which tallies very closely with Mr. Post's figures.

Mr. MADISON. Go ahead.

Mr. PALMER. Taking that as a basis——

Mr. MADISON. Taking what, now, as a basis?

Mr. PALMER. Taking 34 cents as a basis, it shows that there accrues to American industry in the refining of sugar \$6.48 per ton.

Mr. MADISON. There accrues to what?

Mr. PALMER. There accrues \$6.48 per ton expenses for wages, fuel, boneblack, mill supplies, packages, and everything of that kind. In other words, in refining last year a little over 3,000,000 tons of sugar there accrued to American industry \$20,000,000. To be exact, it was \$20,404,340. Taking our beet-sugar production last year of 511,840 tons, and figuring a cost of 3.75 cents per ton—and the cost means American industry—there accrued to American industry in producing that small amount of 511,000 tons \$38,388,000. That is one of the reasons why I am such a believer in production rather than importation. If we produced all of our sugar from beets, on that basis there would accrue to American industry annually \$274,547,350, as compared with \$22,842,000, by merely refining the imported sugar.

The CHAIRMAN. Yes, but you do not tell us how much we would lose by keeping up the American industry, to keep this product above the world's price.

Mr. PALMER. Yes.

The CHAIRMAN. You are coming to that, however?

Mr. PALMER. Yes.

The CHAIRMAN. By the way, Mr. Palmer, I want to read you something from the Government report on sugar comparing these very two things which you compare, with the cost of refining and the cost of manufacturing beet sugar. I want to do it because our expert tells us in that report that Mr. Post has made a very evident mistake in

his calculation. I want to direct your attention to a particular part of it:

Detailed and accurate accounts of sugar refineries showing the exact cost of operation have never been submitted in any public investigation—

By the way, I will state to you that we are going to get them here, in this one. We have got a committee that is instructed to get them—

The statements of representatives of the refining interests must necessarily be accepted with some question, particularly as they do not agree closely. Nevertheless the evidence of several witnesses experienced in the refining business points to the limits of cost of refining as being somewhere between 0.50 cent and 0.65 cent per pound—

That will be between 50 and 65 cents for 100 pounds—

including the loss of weight but not including any return on capital. Mr. Jarvie, of Arbuckle Bros., stated to the Industrial Commission that the cost was between 0.50 cent and 0.60 cent.

I think his testimony was about that here, was it not? Did he not state that here?

Mr. MADISON I think so.

The CHAIRMAN (continuing reading):

Mr. Doscher, of the New York refinery, stated that there was no profit in sugar when the margin was 0.51 cent, but that he expected to make a "nice profit" if the margin remained between 0.70 cent and 0.97 cent. Mr. Havemeyer's testimony is not clear, since he does not show whether interest or capital is included in his estimate of cost. (Industrial Commission, Vol. I, Digest, pp. 65-66.)

Now we come to this same thing you are on:

Mr. James H. Post, in June, 1899, submitted an estimate to the Industrial Commission prepared by the general manager of the National Sugar Refining Co. According to this estimate, out of every 100 pounds of 96° centrifugal sugar, the refinery secures 92½ pounds of granulated and yellow sugar, chiefly granulated, and the equivalent of 2½ pounds of sugar in sirup of lower value.

By the way, right there, Mr. Spreckels's estimate was one-half pound more than that. He said 92½. At a recent hearing in New York he said they had secured 93 pounds. You remember that.

The loss of weight of 5 per cent would at the prices prevailing when Mr. Post testified have amounted to about 0.25 cent. (The average price of raw sugar in 1899 was 4.42 cents, 5 per cent of which is 0.221 cent. The loss on 2½ pounds, worth 1 cent less per pound than granulated sugar, amounts to 0.025 cent, giving a total of 0.246 cent.)

The actual cost of refining is stated to be 0.348, divided as follows:

	Cents per pound.
Brokerage and Government revenue	0.048
Tax and office expenses .....	.10
Packages, wages, fuel, bone black, repairs, and sundries .....	.20
	<hr/>
	.348

It is not clear whether this represents cost per pound of refined or of raw sugar. If the latter, the cost per pound of refined would be 0.366 cent.

Now, which does it represent there?

Mr. PALMER. Refined sugar, I should say.

The CHAIRMAN. You say that represented the cost of refined sugar?

Mr. PALMER. I should say so.

The CHAIRMAN (reading):

This is evidently a rough estimate rather than an accurate calculation from actual accounts. The total cost of refining would thus appear to be about 0.60 cent. (Mr. Post himself calculates from the same figures and gives 0.63 cent, but evidently by erroneous methods.) Mr. Post further stated that probably a very large refinery,

such as that of Havemeyer & Elder, in the American Sugar Refining Co., could refine sugar at from 3 to 5 cents per hundred pounds less. (Industrial Commission, Vol. I, Testimony, p. 150.) For 1902, with raw sugar at 3.54 cents, the cost of refining, including loss of weights, on the basis of the above estimate would become 0.55 cent.

Mr. Henry T. Oxnard, president of the American Beet Sugar Refining Co., is an opponent of the American Sugar Refining Co., but was formerly engaged in refining cane sugar. He estimates the cost of refining, including waste, at between 50 and 60 cents per hundred pounds. (Report on Reciprocity with Cuba, 1902, p. 187; see Appendix 14.)

Now, is that right, do you think? Are those statements correct?

Mr. PALMER. Yes, sir; I should think so. I have no personal knowledge of it, and I think that the figures on the amount going to American industry must be very close, because they come out close, the difference being that between 32½ cents per hundred and 34.8 cents with Lyle in London. Lyle puts the cost at £1 10s. per ton. That is the long ton.

The CHAIRMAN. Yes.

Mr. PALMER. Which figures out 32½ cents per hundred pounds. As he says:

"The loss which this represents to this country is not to be measured by the number of workpeople directly employed in the sugar refining industry alone; those trades give so much direct employment to other branches of trade, to engineers, colliers, jute spinners, animal charcoal makers, barge makers, and coopers, etc. The loss can be reckoned by considering that the cost of refining sugar is about £1 10s. per ton, almost all of which (indeed all, if we except the cost of raw jute which comes from India and timber for packages) is spent in this country. We are therefore losing in round figures 1,500,000 pounds per annum."

The CHAIRMAN. Who is it makes that statement?

Mr. PALMER. Mr. Charles Lyle, chairman of the firm of Messrs. Abram Lyle & Sons, Ltd., sugar refiners, of No. 21 Mincing Lane, London.

The CHAIRMAN. Was that in support of the Chamberlain propaganda?

Mr. PALMER. This is from the testimony of Mr. Charles Lyle in the report of the British tariff commission.

The CHAIRMAN. Yes; that is the Chamberlain propaganda.

Mr. PALMER. It is said that the cost of refining would be 3.66. That is pretty close to the English figures. And yet they say down here cost of refining, including the loss of weight, on the best estimate would be 55 cents a hundred pounds.

Mr. PALMER. Yes.

The CHAIRMAN. Do the English figures include the loss in weight?

Mr. PALMER. No; that is just the loss to British industry.

The CHAIRMAN. It is given at 3.48 cents here.

Mr. PALMER. The difference is only 2.3 cents per hundred pounds, which is very close.

The CHAIRMAN. Yes. In the one case it is 2½ cents, about, and the other case 2.3 cents.

Mr. PALMER. Yes.

The CHAIRMAN. I just wanted to see whether the loss in weight was allowed for there in comparison with these figures.

Mr. PALMER. No; he does not mention that here at all.

The CHAIRMAN. All right.

Mr. PALMER. If you already have that report of the Industrial Commission in the record, you do not want it again.

The CHAIRMAN. It is not in the record, and for the convenience of others in the future perhaps it will be best to put it in here.

Mr. PALMER. Shall I put in this statement with it?

The CHAIRMAN. Yes. That table will be Exhibit No. 13, on the cost of refining.

Mr. PALMER. Yes, and No. 14 is the difference in amount going to the industry.

(The two papers referred to, marked, respectively, Exhibit Palmer No. 13 and Exhibit Palmer No. 14, will be found printed in full at the end of this day's hearing.)

Mr. PALMER. While you are waiting for the other gentlemen of the committee, I have here a chart, gotten out by Tait, of London, which is very interesting.

(Mr. Palmer here explained the chart referred to, to the members of the committee, and informal conversation followed.)

Mr. MADISON. Have you any other tables that you want to have go in?

Mr. PALMER. I put in a table in New York the other day showing the cost of Lyle's granulated No. 1 in London, and the difference between their price and our price during the year 1910. Mr. Spreckels took exception to that and said that Lyle's was a fancy sugar, put out in fancy packages, and should not be compared with our sugar. I cabled to London, to Czarnikow, from whose weekly I quoted. I cabled as follows:

CZARNIKOW,

Mincing Lane, London:

When you quote wholesale price Lyle's granulated No. 1 like 13th July, 19s. 9d., is it packed in bags, barrels, hogsheads, or cartons? Second, what was export price Lyle's No. 1 that date? Third, is usual export price the home quoted price less British import duty? Fourth, to what extent, if any, does Lyle's name raise selling price above other brands of equally attractive sugar? Fifth, why are Liverpool quotations below London? Answer quick, my expense.

They cabled back:

First, two-hundredweight bags. Second, 18s. Third, yes. Fourth, about 3d. Fifth, distribution facilities quality competition.

Now, I will give you that in——

The CHAIRMAN. In question and answer form?

Mr. PALMER. Yes. [Reading:]

1. When you quote wholesale price Lyle's granulated No. 1, like 13th July, 19s. 9d., is it packed in bags, barrels, hogsheads, or cartons?

A. Two hundredweight bags.

So that settles the carton business.

The CHAIRMAN. What is the usual size of the bag that our sugar is sold in?

Mr. PALMER. One hundred. I did not see bags in Great Britain. I made my study principally on the Continent where they produce sugar, and they ship their granulated there in a single gunny-sack 200-pound bag—and a better gunny-sack bag than ours. We ship sugar here, you know, in a double bag; a cotton bag inside and an 8-ounce burlap outside; but they use a single bag, and you often see quotations over there: "So much does not include bags."

Mr. MADISON. Go ahead with your next question.

Mr. PALMER (reading):

2. What was export price Lyle's No. 1 that date?

A. Eighteen shillings.

Mr. RAKER. How much in American money?

Mr. PALMER. Four dollars and thirty-two cents.

Mr. MADISON. For 100 pounds.

Mr. PALMER. For 100 pounds. [Reading:]

3. Is usual export price—

The CHAIRMAN. Just a moment, right there. That is the London wholesale domestic price. That is not the export price?

Mr. PALMER. That is the export price. I say here: "What was export price?" The home price I quoted in my cablegram: "Like 13th July, 19s. 9d."

The CHAIRMAN. Oh, yes.

Mr. PALMER. That was the home price; and the export price was 18 shillings.

The CHAIRMAN. Eighteen shillings?

Mr. PALMER. Eighteen shillings; yes.

The CHAIRMAN. So that there was a shilling and three-quarters difference?

Mr. PALMER. A shilling and nine pence. The maximum duty on sugar into Great Britain is a shilling and ten pence.

The CHAIRMAN. That is just about the duty.

Mr. PALMER. Yes. [Reading:]

3. Is usual export price the home quoted price less British import duty?—A. Yes.

4. To what extent, if any, does Lyle's name raise selling price above other brands of equally attractive sugar?—A. About 3 pence.

That would be 6 cents per hundredweight, or about 5 cents per hundred pounds.

The CHAIRMAN. Yes. Right there: That question was put in such a way as to mean, I think, equally attractive proprietary brands. Why not have asked that question in this form: "To what extent does that raise it over the value of ordinary American brands of sugar?"

Mr. PALMER. I do not know whether they would have replied to that. I do not know that they are familiar with it.

The CHAIRMAN. We have testimony that during this last year there was probably 75,000 tons exported to London of American ordinary granulated. I was just asking that for my own information. I wanted to understand that exactly.

Mr. PALMER. I think that is plain: "To what extent, if any, does Lyle's name raise selling price above other brands of equally attractive sugar?"

The CHAIRMAN. That would mean other proprietary brands, each of which might have enhanced value over the ordinary nameless grade of sugar, would it not?

Mr. PALMER. I should not say so.

The CHAIRMAN. Well, that answers the question.

Mr. MADISON. Go ahead.

Mr. PALMER (reading):

5. Why are Liverpool quotations below London?

A. Distribution facilities, quality, competition.

The CHAIRMAN. Do you know anything about how Hamburg is as compared with London?

Mr. PALMER. I have the Hamburg figures for other sugars but not for these sugars.

The CHAIRMAN. You heard Mr. Spreckels's criticism that it was impossible to compare the English and American markets with any degree of reasonable accuracy, for that very reason, that he suggested; but that no such difficulty existed with reference to the German market?

Mr. PALMER. No; but there is where Mr. Spreckels is wrong.

The CHAIRMAN. That is exactly what I want to know about.

Mr. PALMER. For this reason: You can not compare German or Austrian "First Marks" with standard American granulated any more than you can compare a Missouri mule with a Percheron horse. They resemble each other——

The CHAIRMAN. I understand they both belong to the same general family; but that is about all.

Mr. PALMER. And they do the same kind of work.

The CHAIRMAN. Yes.

Mr. PALMER. But you can compare a London standard granulated with an American granulated.

The CHAIRMAN. The ordinary sugar at Hamburg is beet sugar, is it not?

Mr. PALMER. I beg your pardon?

The CHAIRMAN. I say the ordinary sugar at Hamburg is beet sugar, is it not?

Mr. PALMER. Oh, yes.

The CHAIRMAN. Well, that compares all right with American beet sugar, does it not?

Mr. PALMER. No, sir; I will show it to you.

The CHAIRMAN. All right.

Mr. PALMER. There are three samples [producing same]. One is Lyle's granulated No. 1; one is the American Sugar Refining Co.'s standard granulated, and the other is American Beet standard.

The CHAIRMAN. I wonder if I could pick them out. Is this the Lyle [indicating]? (After examining sample.) No; that is the American Sugar Refining Co.'s. I do not see any difference in the way they look to me. (To Mr. Madison:) Shuffle them around and see if you can pick them out. I guessed wrong the very first time. Which is which now?

Mr. PALMER. Those sugars [indicating] you can compare. There are your "First Mark" sugars.

Mr. MADISON. (After examining samples.) There is the American beet [indicating].

The CHAIRMAN. (After looking at label.) That is Lyle's. You missed it just as I did.

Mr. RAKER. The American beet is as good as the rest.

Mr. PALMER. Yes, sir. Now put those sugars [indicating] alongside.

The CHAIRMAN. Where did these sugars come from?

Mr. PALMER. One is German "First Mark," another is Russian, and the other is a Javan.

The CHAIRMAN. You can tell that [indicating]. This is a good deal coarser [indicating]. It looks to me as if this were somewhat on the nature of this one here [indicating]. It is very much coarser.

Mr. PALMER. There is a sugar that I got at one of the largest sugar factories in France, located at Meaux. They have a capacity of 2,500 tons a day.

The CHAIRMAN. This sugar is quite like this sugar here [indicating] in general characteristics, is it not?

Mr. PALMER. I think that [indicating] is a softer sugar.

Mr. RAKER. Yes. This [indicating] is harder.

The CHAIRMAN. I notice that the French sugar is made in big grains, so that it looks like rice.

Mr. PALMER. They make it for whatever the demand is. You can make the sugar grain any size you desire. If you are going to make a small-grain sugar you put a lot of juice into your pans at once and boil it to a grain and then run it out; but if you are going to make large-grain sugar you put a small quantity in and boil it to a grain, and then you put some more juice in and it builds up the crystals; so you can not compare that "First marks" granulated with the sugar that we use.

The CHAIRMAN. Why is it not just as good sugar? Would the fact that the grains are larger make it any worse?

Mr. PALMER. You can use it, but it is not as beautiful sugar. You would not put it on your table——

The CHAIRMAN. I do not know. It looks to me as if this French stuff here is mighty pretty.

Mr. RAKER. It looks good to me.

Mr. PALMER. Put it alongside of the other.

The CHAIRMAN. This is just as white and has just as large a grain. You say they make it that way because the trade prefers it?

Mr. PALMER. You can make the grain any size you like. But what are you comparing it with?

The CHAIRMAN. Oh, this is the Russian. Where is the other?

Mr. PALMER. It has not the same color at all.

The CHAIRMAN. I do not know about that. This is a deader white. There is a difference in a way, of course. This is entirely different sugar.

Mr. PALMER. There is a German "First Mark" sugar, from Prof. Dr. von Lippmann. He is the man who got up the process of refining without bone black.

The CHAIRMAN. I believe it is better than the other. It is just like using the plantation sugars. They taste better——

Mr. RAKER. I think the American Sugar Refining Co. are refining a great deal now without bone black.

Mr. PALMER. Not without bone black, no.

The CHAIRMAN. What is this [indicating]?

Mr. PALMER. You can take that out.

The CHAIRMAN. Is it a cube?

Mr. PALMER. Those are German cube sugars from Halle.

The CHAIRMAN. This is like the lump sugar we use in our coffee.

Mr. PALMER. Yes. That is the kind of sugar they use. They do not use that other stuff.

The CHAIRMAN. They use something like this [indicating] for berries and fruits and some things like that, do they not?

Mr. PALMER. I presume they sell it for manufacturing purposes.

The CHAIRMAN. What do they use for berries and fruits? They can not use this kind of sugar [indicating].

Mr. PALMER. Oh, they make fine granulated sugar, as the English do and as we do.

The CHAIRMAN. Is the sugar that goes into our chewing gum and liquor and preserves and everything else something like this [indicating]?

Mr. PALMER. That I do not know. When you start in to compare prices, you have got to start in with the same kind of products. The reason, I think, why they have fallen into error in that is this: The German sugar "First Marks" is called "First Marks Granulated." We eat granulated sugar almost entirely, and we take it for granted that a granulated sugar, if it has "First Marks" in front of it is the same as our granulated sugar. Well, it is not.

Mr. MADISON. It is a better sugar?

Mr. PALMER. No; it is not as good. You have it right there [indicating].

Mr. RAKER. It is not as good in what respect?

Mr. PALMER. It is not as handsome.

The CHAIRMAN. Did you ever taste this French sugar?

Mr. PALMER. No, sir.

The CHAIRMAN. Somebody got this lid off. If you taste it, you will find that it is better than this ordinary American granulated.

Mr. PALMER. It could not be any different.

The CHAIRMAN. It is sweeter. Try it.

Mr. PALMER. It could not be.

The CHAIRMAN. It is sweeter.

Mr. MADISON. It is all sucrose?

Mr. PALMER. Yes, sir.

Mr. MADISON. In other words, 100 per cent sucrose.

Mr. PALMER. Yes.

Mr. MADISON. It is sugar?

Mr. PALMER. Yes.

Mr. MADISON. It could not be any more than sugar, and it could not be any sweeter than sugar?

Mr. PALMER. That is right.

Mr. MADISON. If it is 100 per cent sucrose, an equal quantity of 100 per cent sucrose contains the same elements and has the same sweetness and has the same taste?

Mr. PALMER. Exactly; absolutely.

Mr. RAKER. And that applies to all refined sugar?

Mr. PALMER. Yes, sir.

The CHAIRMAN. All refined sugar that tests 100, or somewhere near that?

Mr. PALMER. Yes, sir. The refined sugar has no flavor; it has no odor.

The CHAIRMAN. Would you mind tasting that and telling me whether it has a flavor or not?

Mr. RAKER. This has a flavor. The French sugar is much sweeter, to my taste, than this American sugar. [After tasting French sugar.] That is good.

Mr. PALMER. I will send over and get some for you.

Mr. RAKER. I wish you would.

Mr. PALMER. It has a pretty crystal.

The CHAIRMAN. Will you stick to that statement, after tasting it, that it has no flavor?

Mr. PALMER. I can not do otherwise. There is not any difference and there can not be.

The CHAIRMAN. I wish you would open this and taste this, and tell me—I wonder if you could not get this open? Do you think it could be opened?

Mr. PALMER. Sure. Open it up. I had it sealed, but I can get plenty more of it.

The CHAIRMAN. This is the point—I beg your pardon, Judge.

Mr. MADISON. Go ahead.

The CHAIRMAN. I do not see why these sugars are not just as good as any other.

Mr. PALMER. Do you think that if you went into a grocery store and they had those two sugars alongside of each other, you would pay the same money for the German "First Marks?"

The CHAIRMAN. I believe I would, if it tastes as good as that French sugar.

Mr. RAKER. And if one knew they were both 100 per cent pure.

Mr. PALMER. Even if you knew they were 100 per cent pure, you would pay the same money for less attractive sugar?

The CHAIRMAN. I do not see any difference myself.

Mr. PALMER. There is a difference in the color.

Mr. MADISON. They would, because they are mere men, but when they carried it home they would get into trouble at once.

(After an informal discussion.)

Mr. MADISON. Mr. Palmer, have you any other tables?

Mr. PALMER. Yes.

Mr. MADISON. Or exhibits?

Mr. PALMER. Yes; I have this table showing the London price, week by week, for Tate's cubes No. 1, Tate's cubes No. 2, Lyle's granulated No. 1, Lyle's granulated No. 2, and yellow crystals at London. Then of foreign cubes, f. o. b. Hamburg and "First Marks" f. o. b. Hamburg, and I have carried it out laid down in London, including duty and insurance.

The CHAIRMAN. What is your price, for that year, f. o. b. Hamburg, without insurance?

Mr. PALMER. "First Marks" per 100 pounds?

The CHAIRMAN. Yes.

Mr. PALMER. Per 100 pounds, \$3.223. That is the average for the year.

The CHAIRMAN. Is that the equivalent of the American granulated?

Mr. PALMER. No, sir; that is "First Marks." Lyle's granulated is the equivalent, which was \$4.238. Now, taking that table, you can ascertain just what our duty on sugar costs us. The average New York price of standard granulated for 1910 was \$4.972. The average London price of Lyle's granulated was \$4.238. The New York price above the London price was \$0.734. The maximum United Kingdom duty of 1 shilling 10 pence per one hundredweight was \$0.393. The freight, London to New York, was 9 cents, insurance and bank commissions 3 cents, making 12 cents. Now the United Kingdom export price is the U. K. wholesale price, \$4.238, less the U. K. import duty of 0.393 cents, or \$3.845. To the United Kingdom export price of \$3.845 add 12 cents for freight, insurance, and bank commission, making the price, laid down in New York, \$3.965.

The CHAIRMAN. Just a moment. Did not your cablegram suggest that you only had a difference of 3 cents?

Mr. PALMER. He said Lyle's name would add 3 cents.

The CHAIRMAN. Did you take that off in this calculation?

Mr. PALMER. I have not taken that off in this calculation. It would make a difference of sixpence. That would be 5 cents a hundred; but if you are going to compare London with New York American standard granulated, it appears here also that the American Sugar Refining Co. usually gets, or a good part of the time gets, 5 or 10 cents a hundred more for its sugar.

The CHAIRMAN. That is true of cane sugar generally, more than of beet, is it not?

Mr. PALMER. They do not make any distinction in refining the two. They dump the two in together. They do not have any beet now to refine; but a few years ago——

The CHAIRMAN. The testimony that we have had—and I will bring that to your attention, for your benefit in making these calculations—was to the effect that there was a difference (at least it has been figured that way) of from 10 to 30 points between the cane and beet sugar; and I did not understand from any testimony that I have heard yet that the American Sugar Refining Co. had any advantage, under the ordinary market quotations, over Arbuckle or the Federal, for instance.

Mr. PALMER. You mean an advantage in raw sugar.

The CHAIRMAN. An advantage in the price that they get for the refined product over any other good cane refiner. Is that right or not?

Mr. PALMER. You often see quotations in Willett & Gray when the American Sugar Refining Co. has one price and Spreckels and Arbuckle or Warner will be a little lower.

The CHAIRMAN. Do you know why? They testified that that was because they were cutting prices to get rid of an overstocked market.

Mr. PALMER. But I never have seen a quotation where the Federal or Arbuckle or Warner were above the American Sugar Refining Co.

The CHAIRMAN. That is on another principle. However, the fact remains, according to the evidence here given by Mr. Jamison and Mr. Arbuckle, and a good many statements that we have in the record, that during the progress of the war between Havemeyer and Arbuckle the American Sugar Refining Co.'s price did go under, and that in 1901, while Mr. Havemeyer was cutting the heart out of the people in the Missouri River territory, I believe it went considerably under.

Mr. PALMER. That was exceptional.

Mr. MADISON. In other words, is it not true that Lyle's grade gets the advance because there is a feeling, whether it is warranted or not by the facts, that Lyle's is a little bit better sugar, or that it is an established brand, and is thus favored by the trade?

Mr. PALMER. Yes.

Mr. MADISON. Whereas with the American Sugar Refining Co. there is not any favoritism shown by the trade or by the consumer toward the American Sugar Refining Co.'s sugar?

The CHAIRMAN. Over the Federal's, for instance?

Mr. MADISON. Yes; I mean over other refiners.

Mr. PALMER. I should judge not; certainly not by the consumers.

The CHAIRMAN. That is it, exactly.

Mr. MADISON. Have you any other tables?

Mr. PALMER. Yes. I have not got through with this, yet. So that the total amount chargeable to the United States tariff is the New York price of \$4.972 less \$3.965, or \$1.007.

The CHAIRMAN. That is 1 cent a pound?

Mr. PALMER. One cent a pound, virtually. That equals \$22.55 per long ton. Our total consumption in 1910 was 3,282,938 tons, and applying the \$22.55 per ton to that amount of sugar it makes a difference of \$74,030,251 that is chargeable to the tariff.

Mr. MADISON. How much?

Mr. PALMER. \$74,030,251. Now, the duty collected in 1910 is based on the average ad valorem duty of 1909, and taking the consumption in 1910 it amounted to \$51,771,142, which amount we would lose, of course, if we had free sugar.

Mr. RAKER. Is that the amount actually collected at the revenue offices, or is that estimated?

Mr. PALMER. I took the actual duties collected in 1910, for the fiscal year, and they amounted to \$1.34 $\frac{1}{2}$ per hundred pounds, on imported dutiable sugar.

The CHAIRMAN. In other words, about the Cuban rate.

Mr. PALMER. Yes, sir. The Government reports are for the fiscal year, and not the calendar year. My figures are for the calendar year; so I applied the \$1.34 $\frac{1}{2}$ to the total consumption of 1910, which makes, as I say, \$51,771,142; and deducting that from the total saving of \$74,030,251, leaves chargeable to protection \$22,259,109.

The CHAIRMAN. You had those figures a little higher in New York, had you not?

Mr. PALMER. Yes, sir. I had to make them up from memory.

The CHAIRMAN. It was about thirty million over there.

Mr. PALMER. Yes, sir; and in making my estimate over there I had not included the freight. Now, it may be interesting to know the application of that protection; where it goes to, and who gets it. Taking the 7 $\frac{1}{2}$ cents differential and giving that to the refiners, the American Sugar Refining Co. on its refined product gets \$2,324,088 out of it; and the independent refiners get \$2,399,139.

The CHAIRMAN. Do you count the National among those?

Mr. PALMER. This is taken from Willett & Gray's figures.

The CHAIRMAN. And the Western you count among those? You say: "Independent," and I do not know what you mean by that.

Mr. PALMER. I am taking Willett & Gray's figures. They say "The American Sugar Refining Co.," and then they say "Independents;" and then there is a footnote: "National included under independents."

The CHAIRMAN. What do they say about the Western Sugar Refining Co.?

Mr. PALMER. I do not think they make any note of that.

The CHAIRMAN. You see, the American Sugar Refining Co. owns a half interest in that, and I want to know whether it figures as the American Sugar Refining Co. or as an independent in that set of figures.

Mr. PALMER. I think it is classed as an independent.

The CHAIRMAN. All right.

Mr. PALMER. The beet-sugar companies, \$767,760—I am figuring on the refined part of it now—and the Hawaiian cane factories, on

their refined sugar, \$22,928; making a total chargeable to refined sugar of \$5,513,915. Then taking the domestic production here——

The CHAIRMAN. Where does the balance of it go?

Mr. PALMER. That is what I am coming to now. The domestic beet-sugar people on raw sugar get \$4,672,368 of it, the Louisiana people get \$3,404,653, the molasses-sugar people get \$94,060, maple sugar, \$61,340, making a total on the domestic of \$8,232,425. Hawaii gets \$4,694,124, Porto Rico gets \$2,829,880, and the Philippines get \$988,231, making the total of the insular sugars \$8,512,235. That makes up the total amount.

The CHAIRMAN. Just a minute. You do not mind my putting a question?

Mr. MADISON. Not a bit.

The CHAIRMAN. Besides getting this excess over the amount of the duty, every domestic producer, every domestic manufacturer or refiner of sugar also gets the larger amount represented, according to your figures, in the amount of the duty too, does he not, because he adds the total duty whether it goes into the Government or not?

Mr. PALMER. That is figured in. This is on the consumption, irrespective——

The CHAIRMAN. One moment, though. See if I am not right about this, or see what you have to say about it, at least. You say this duty on sugar has cost the American people \$73,000,000 a year, in round numbers, for the purpose of illustration——

Mr. PALMER. Yes.

The CHAIRMAN. Fifty or fifty-two million go for revenue; therefore twenty-one million is protection. This is just to illustrate.

Mr. PALMER. Yes.

The CHAIRMAN. You have shown how that twenty-one million was distributed. Now, the American consumer not only takes the \$21,000,000 that goes into strict protection, that never reaches the Treasury at all, but he also takes an amount equivalent to the other amount that goes into the Treasury in duties, does he not?

Mr. PALMER. You mean the \$52,000,000?

The CHAIRMAN. Yes.

Mr. PALMER. He takes the \$52,000,000.

The CHAIRMAN. And he takes the \$52,000,000 and the \$21,000,000, does he not?

Mr. PALMER. Yes; but——

The CHAIRMAN. But the \$52,000,000 goes into the Treasury?

Mr. PALMER. Yes.

The CHAIRMAN. Does not the producer get the benefit of that, too? Does he not add just that much to the domestic price, also?

Mr. PALMER. Well, I have given you the total. These are the total figures on our consumption of \$74,000,000.

The CHAIRMAN. Who gets the \$74,000,000? The Government gets \$51,000,000?

Mr. PALMER. Yes.

The CHAIRMAN. And the balance, \$23,000,000, goes to the people engaged in the sugar industry, you say?

Mr. PALMER. Yes.

The CHAIRMAN. No matter how much of the duty is revenue and how much is protection, all of it, or practically all of it, is added to

the price of the sugar, is it not? I mean the \$74,000,000 practically is added to the price of the sugar.

Mr. PALMER. Yes; the \$74,000,000 is.

The CHAIRMAN. That benefits, of course, everybody who sells sugar or who gets it so that it can be sold, whether any of it goes into the Treasury or not. In other words a duty purely for revenue enhances the domestic price, does it not?

Mr. PALMER. Yes.

The CHAIRMAN. Can you give us the proportion of that \$74,000,000 that would be of incidental benefit from a revenue duty?

Mr. PALMER. We find that sugar in this country was raised last year, on account of the duty, \$74,000,000.

The CHAIRMAN. Yes.

Mr. RAKER. All sugar?

Mr. PALMER. The consumption in the United States.

Mr. RAKER. All sugar that was consumed in the United States, domestic and imported?

Mr. PALMER. Yes.

The CHAIRMAN. He says the duty raised it \$74,000,000 last year. Of course there are varying figures on that. But this is your estimate?

Mr. PALMER. Yes.

The CHAIRMAN. That \$74,000,000, every cent of it, is enhanced cost to the American consumer, is it not?

Mr. PALMER. Yes.

The CHAIRMAN. The domestic producer and everybody operating and allied with him in any stage of the industry get the full benefit of that entire \$74,000,000, do they not, if the price is enhanced that much?

Mr. PALMER. But \$51,000,000 or \$52,000,000 of that went back into the Treasury.

The CHAIRMAN. But on this domestic article, there does not any of that go into the Treasury, does it? The Louisiana man does not pay anything into the Treasury on his local product, does he?

Mr. PALMER. No, sir.

The CHAIRMAN. The western beet sugar man does not, does he?

Mr. PALMER. No.

The CHAIRMAN. And yet his price on every pound he makes is enhanced just that much, is it not?

Mr. PALMER. You could not have the sugar man get it, and have the Government get \$52,000,000 more. You could not get \$125,000,000 out of \$74,000,000. We know the Government got \$52,000,000 of it.

The CHAIRMAN. I do not know whether it could or not; and that is exactly what I am trying to find out from you. Is it not true that every Louisiana sugar man and every western beet sugar man got the benefit of whatever the duty caused us to pay more than we would have paid except for the duty on sugar?

Mr. PALMER. He gets the benefit of it.

Mr. MADISON. Yes; but—pardon me, Mr. Chairman.

The CHAIRMAN. Go right on. You see what I mean.

Mr. MADISON. Yes; I catch your idea. I think the matter is not quite clear, but I think I would agree with the reasoning or the conclusion of the chairman if it were true that the Louisiana people and the Porto Rican people and the Hawaiian people and the Philip-

pine people furnished all the sugar, but they do not. In other words, a large proportion of the sugar comes from Cuba. Some of it comes from Java and from other places. As I understand you, you have figured out that there is a charge on the consumer of about 1 cent a pound.

Mr. PALMER. Yes, sir.

Mr. MADISON. As a result of our tariff?

Mr. PALMER. Yes.

Mr. MADISON. Now, you are giving to the Porto Rican and to the Louisiana man and the beet-sugar man his 1 cent a pound?

Mr. PALMER. Yes.

Mr. MADISON. Because he is furnishing that much of the sugar. Is that right?

Mr. PALMER. That is right.

Mr. MADISON. If he had furnished all of it—I do not entirely agree with your reasoning, either, Mr. Palmer. I want to be perfectly fair about the matter, although I do not entirely agree with the chairman, because I can not figure that these gentlemen, the domestic producers, get the benefit, because they do not produce all the sugar.

The CHAIRMAN. Oh, I do not think so either; but they get it on every pound they do produce, whether it is revenue or protection. They are getting 1 cent a pound according to these figures.

Mr. MADISON. He has figured it out that way.

The CHAIRMAN. No; I do not think he does.

Mr. MADISON. That is what you have done, in effect—figured out 1 cent a pound——

Mr. PALMER. It would amount to the same thing; but I have figured it in another way. I think the Judge has straightened us both out.

The CHAIRMAN. Possibly so.

Mr. MADISON. One-half of this sugar, in round numbers, was not produced in this country.

The CHAIRMAN. No.

Mr. PALMER. But figure it the other way; say there was \$74,000,000 that the price of sugar was raised in this country and say that we produce one-half of that sugar. Then there would be chargeable——

The CHAIRMAN. That would be 37 millions to protection in that way; or to enhanced price anyhow.

Mr. PALMER. Yes. I am glad you made that suggestion. I would like to figure it out the other way. I do not know just how it would come out.

The CHAIRMAN. For instance, if the beet-sugar people are producing 500,000 pounds at 1 cent a pound that would be \$20 a ton, would it not?

Mr. PALMER. Yes.

The CHAIRMAN. Two thousand cents. They would be getting \$10,000,000 protection, would they not?

Mr. PALMER. Yes.

Mr. MADISON. Getting that much benefit.

The CHAIRMAN. Benefit, yes; that much enhanced price for the article they produce.

Mr. RAKER. The same reasoning would apply to the Hawaiian sugar?

The CHAIRMAN. Of course.

Mr. PALMER. Right in that connection Mr. Lowry stated——

Mr. MADISON. Just before you leave that, and purely in the interest of getting at this matter, because it is important, we have gone into this matter of the effect of the tariff, and it is fair to figure it out conclusively and get to a point where we can all agree, if we can. While it is true that the Porto Rican, the beet sugar, and all the other sugar producers get the effect of the 1 cent a pound, it is also true that they are paying their proportion of the \$50,000,000 that is being taxed on all the sugar, which goes into the Treasury of the United States.

The CHAIRMAN. To the extent and proportion they are consumers of sugar.

Mr. MADISON. Yes, to the extent and proportion they are consumers of sugar.

The CHAIRMAN. That is true.

Mr. RAKER. To the extent of 80 pounds.

Mr. PALMER. That 80 pounds needs a little revision. I notice that you have been quoting that.

Mr. RAKER. Is not that what the Government gives?

Mr. PALMER. Yes; the per capita consumption.

The CHAIRMAN. Eighty-one something?

Mr. PALMER. Eighty-one and six-tenths, I believe it is. That sugar is not consumed as sugar, but, as shown in the British report, about one-third of it goes into manufacturing. Bulletin 77 of the Bureau of Labor reports on 2,567 families in the United States for the year 1901 (p. 204), and they give the sugar consumption per family as 268½ pounds, which tallies very closely with the report made to the British Board of Trade.

The CHAIRMAN. Two hundred and how much?

Mr. PALMER. Two hundred and sixty-eight and five-tenths pounds per family.

The CHAIRMAN. Per family of five persons?

Mr. PALMER. They do not say here.

The CHAIRMAN. That is what they count a family, is it not, five persons?

Mr. PALMER. There are 2,567 families, which was enough to make an average.

The CHAIRMAN. I know; but the average in all Government statistics, as I understand it, is five persons in each family; is not that right?

Mr. PALMER. Yes.

The CHAIRMAN. That would be about 40 per capita?

Mr. PALMER. Something like 53.

The CHAIRMAN. And the other fraction would go into indirect consumption, chewing gum, candies, and such things?

Mr. PALMER. Yes.

The CHAIRMAN. That is a good deal higher than the British Board of Trade figures.

Mr. PALMER. No, it is about the same.

The CHAIRMAN. I understood Mr. Hinds to say he figures out 30-odd pounds.

Mr. PALMER. No; I did not understand him to say he placed it as low as that.

The CHAIRMAN. But they were mistaken if they did?

Mr. PALMER. If that was the figure, they were. Mr. Lowry stated that with free sugar there would be a saving of \$8 per family. There is a difference in price of practically a cent a pound, and that cent a pound on 268½ pounds would mean \$2.685. Then, if out of that you take the duty, the revenue, that is collected from it, for instance, the \$1.349 that we collect on dutiable sugar, it would be half of that amount on our whole consumption, because only half of it pays duty.

The CHAIRMAN. That would be a total saving, whether the Government loses the revenue or not, if the man paid the bill?

Mr. PALMER. He would have to make it up in some other form of taxation. He would have to pay a duty on tea or coffee, or something like that.

The CHAIRMAN. Or pay an income tax.

Mr. PALMER. So, instead of being \$8 it would be a little less than \$2 a family.

The CHAIRMAN. That depends on the basis. He figures on the basis of two.

Mr. PALMER. You could not reduce it that way, by taking off the taxes.

The CHAIRMAN. Have we reduced it down to \$1.349 by the Cuban legislation?

Mr. PALMER. No; I do not think that has all to do with it by any means. It has a great deal to do with it indirectly in that it has stimulated production of sugar in Cuba.

The CHAIRMAN. And therefore given a greater supply?

Mr. PALMER. Yes, sir; along with the stimulation made in Porto Rico and the stimulation made in Hawaii; and we are buying our sugar here below the Hamburg parity, our first marks. This last year it averaged 34.8 cents.

The CHAIRMAN. Below the world's parity?

Mr. PALMER. Yes; below the New York parity of that first-marks sugar. I showed you how that is not due wholly to Cuban reciprocity; indirectly it is. It is a great stimulation of sugar to be dumped at one time.

The CHAIRMAN. Why does not that affect the market of the world? Why does not that affect the law of supply and demand, the Hamburg as well as the New York market?

Mr. PALMER. I do not doubt but what it does.

The CHAIRMAN. Why does it not affect it as much?

Mr. PALMER. I can not answer that.

Mr. MADISON. Your testimony corresponds, if I catch it correctly, with that of Mr. Burguières.

Mr. PALMER. I have not read that.

Mr. MADISON. He testified that, as a matter of fact, the amount of protection which the Louisiana sugar planter actually received was about \$1.09.

Mr. PALMER. Yes.

Mr. MADISON. In other words, he got about \$1.09 protection. That is what you figured it?

Mr. PALMER. Yes, sir.

Mr. MADISON. Have you something else?

Mr. PALMER. What number were we up to?

The CHAIRMAN. This is number 15, as I have numbered it.

Mr. PALMER. The chairman spoke of figures showing the price of first marks, and the New York price of granulated. I have them for 1909 and 1910. Would you like those?

The CHAIRMAN. Yes; I think so. Are those the export prices?

Mr. PALMER. Yes, sir; that is number 16.

The CHAIRMAN. Taken from what?

Mr. PALMER. As taken from Willett & Gray's.

The CHAIRMAN. I just want to see how it compares with these figures of Willett & Gray's. You have them for only two years?

Mr. PALMER. For two years; and this is the New York parity. It is not the price figured out in pence for export; but this is as Willett & Gray figured it, laid down at New York, showing the New York parity.

The CHAIRMAN. That is not at all what I want. Of course, I am perfectly willing for you to put that paper in; but I suggest this to you. You seem to have a wonderful stock of information on this subject. I want the real export prices at Hamburg, not compared with anything, say for the last 10 years. Do you see what I mean?

Mr. PALMER. Yes.

The CHAIRMAN. Just give me the Hamburg export prices, both of raw and refined sugar.

Mr. PALMER. All right.

The CHAIRMAN. Starting, say, in 1900, and including 1910. Do that some time during the examination. Of course, you can not do it now.

Mr. MADISON. Have you any other table?

Mr. PALMER. Yes.

Mr. MADISON. Just lead right on with those.

Mr. PALMER. I have a rather interesting table here. The understanding generally is that sugar is handled virtually without profit.

The CHAIRMAN. By the retailer?

Mr. PALMER. By the retailer.

The CHAIRMAN. And the wholesaler?

Mr. PALMER. And the wholesaler. I have compiled a table here from the monthly reports of the Bureau of Labor, in combination with the reports of Willett & Gray, as to the wholesale New York price, and it appears that from 1890 to 1907 the average New York price of 96° raw sugar was 3.91. The average New York wholesale price of granulated sugar was 4.99.

The CHAIRMAN. Is that a cent's difference, about?

Mr. PALMER. Just about. I have given the difference here. It is 86.3.

The CHAIRMAN. That is the refiner's profit?

Mr. PALMER. That is what the refiner got. The refiner got 86.3 cents. This is losses; and his fuel, and bags, and various things all went into it; and it is profit. The average New York City and Brooklyn retail price of sugar during that period—and there was no freight there, no cartage—was 5.56. So, for distribution in the city of New York and Brooklyn the wholesalers and jobbers got 78.6 cents per 100 pounds, or fully three-fourths what refiners got for remelting this sugar and throwing out the dirt and the water and the losses; and the average retail price throughout the United States was 5.7 cents per pound. Thus the distribution charge was 88.1 per 100 pounds, as against 86.3 for all the work and the losses.

The CHAIRMAN. We paid about a cent and three-fourths for refining and distributing.

Mr. PALMER. For a period of 10 years, 1890 to 1899, it appears that Kansas bought her sugar at the lowest price of any State in the Union.

Mr. RAKER. What was the California price at that time?

Mr. PALMER. Your sugar was 6.11 cents. The highest State was South Carolina, 6.56.

The CHAIRMAN. What is Georgia?

Mr. PALMER. We did not have any reports from Georgia.

The CHAIRMAN. They were so high they did not put it down at all.

Mr. MADISON. No; they did not use any sugar. [Laughter.]

Mr. RAKER. Could you explain why it was that the California price was so high as compared with the New York price, particularly where they are right there in the sugar-beet fields and right where the imports from Hawaii and the Philippines come in?

Mr. PALMER. Because there is not any such glut of raw sugar in San Francisco as there is in New York, I take it.

Mr. RAKER. There is no other explanation you can think of?

Mr. PALMER. You see a lot of that Hawaiian sugar is sent around and comes across the Isthmus and goes to Philadelphia and New York. New York is the worst glutted market in the world for raw sugar.

Mr. MADISON. Is it not true that the mountain States have always maintained higher prices for practically everything; that that custom began years ago, when the cost of transportation was so great, and that they are still suffering from it?

Mr. PALMER. They undoubtedly do maintain higher prices. They have to pay higher freights on everything that goes in there.

Mr. MADISON. I just had the impression that that is undoubtedly so; that, as a matter of fact, the general level of high prices having begun there, and generally maintained, it is difficult to get them down to a level with other communities.

Mr. PALMER. I presume there is something in that.

Mr. RAKER. What seemed peculiar to me was that where they have imported sugar so cheap in San Francisco and also can manufacture the beet sugar cheaper than any place in the United States, we ought to get cheaper sugar there than we do in the East.

Mr. PALMER. The prices of late have been running about the same as New York. They used to run very much higher. But the Hawaiians naturally would send their sugar to San Francisco if they could get more money for it than they get in New York or Philadelphia; but they send a good portion of it around.

Mr. RAKER. Have you any idea of about what proportion of the Hawaiian sugar comes to New York and Philadelphia?

Mr. PALMER. I had those figures a few years ago.

Mr. RAKER. Could you get them up for us?

Mr. PALMER. Yes.

Mr. RAKER. I wish you would.

Mr. PALMER. Yes, I will get those for you.

Mr. RAKER. Both the Hawaiian and the Philippine; about what proportion of the sugar raised in the Hawaiian and the Philippine Islands comes east and never lands in San Francisco.

Mr. PALMER. I will.

(Thereupon at 4.30 o'clock p. m. the committee adjourned until tomorrow, Tuesday, Aug. 1, 1911, at 10 o'clock a. m.)

EXHIBIT "PALMER, No. 1."

Cane and beet sugar production of the world, 1812 to 1910.

[Compiled by Truman G. Palmer.]

Year.	Tons of 2,240 pounds.			Per cent.	
	Total.	Cane.	Beet.	Cane.	Beet.
1812-13.....	(1)	(1)	² 3,437	.....	.....
1836-37.....	(1)	(1)	² 36,408	.....	.....
1840-41.....	1,150,000	1,100,000	50,000	95.65	4.35
1850-51.....	1,400,000	1,200,000	200,000	85.8	14.2
1853-54.....	1,420,558	1,219,558	201,000	85.9	14.1
1854-55.....	1,381,817	1,202,817	179,000	87.0	13.0
1855-56.....	1,413,498	1,176,498	237,000	83.2	16.8
1856-57.....	1,509,214	1,259,214	250,000	83.4	16.6
1857-58.....	1,662,253	1,300,253	362,000	78.2	21.8
1858-59.....	1,893,504	1,510,504	383,000	79.8	20.2
1859-60.....	1,674,316	1,291,316	383,000	77.1	22.9
1860-61.....	1,841,264	1,496,264	345,000	81.3	18.7
1861-62.....	2,006,226	1,601,226	405,000	79.8	20.2
1862-63.....	1,944,193	1,486,193	458,000	76.4	23.6
1863-64.....	1,869,664	1,433,664	436,000	76.7	23.3
1864-65.....	1,958,413	1,417,413	541,000	72.4	27.6
1865-66.....	2,168,872	1,488,872	680,000	68.6	31.4
1866-67.....	2,022,407	1,378,407	644,000	68.2	31.8
1867-68.....	2,264,871	1,636,096	628,775	72.3	27.8
1868-69.....	2,233,130	1,585,309	647,821	71.0	29.0
1869-70.....	2,495,285	1,662,239	833,046	66.6	33.4
1870-71.....	2,527,181	1,599,488	927,693	63.3	36.7
1871-72.....	2,650,663	1,791,184	859,479	67.6	32.4
1872-73.....	2,965,329	1,840,986	1,124,343	62.1	37.9
1873-74.....	2,857,612	1,711,763	1,145,849	59.9	40.1
1874-75.....	2,922,017	1,756,681	1,165,336	60.1	39.9
1875-76.....	3,043,749	1,692,828	1,350,921	55.6	44.4
1876-77.....	2,766,270	1,682,531	1,083,739	60.8	39.2
1877-78.....	3,114,273	1,715,900	1,398,373	55.1	44.9
1878-79.....	3,515,266	1,965,990	1,549,276	55.9	44.1
1879-80.....	3,334,268	1,903,316	1,430,952	57.1	42.9
1880-81.....	3,648,847	1,902,346	1,746,501	52.1	47.9
1881-82.....	3,847,668	2,016,084	1,831,584	52.4	47.6
1882-83.....	4,217,142	2,104,072	2,113,070	49.9	50.1
1883-84.....	4,871,079	2,547,531	2,323,548	52.3	47.7
1884-85.....	5,099,255	2,592,647	2,506,608	50.8	49.2
1885-86.....	4,868,340	2,702,850	2,165,490	55.3	44.7
1886-87.....	5,513,278	2,805,735	2,707,543	50.9	49.1
1887-88.....	5,084,981	2,642,000	2,442,981	52.0	48.0
1888-89.....	5,224,379	2,480,700	2,743,679	47.5	52.5
1889-90.....	6,054,209	2,475,800	3,578,409	40.9	59.1
1890-91.....	6,524,009	2,868,900	3,655,709	44.0	56.0
1891-92.....	6,683,497	3,231,561	3,451,936	48.3	51.7
1892-93.....	6,431,609	3,045,186	3,386,423	47.3	52.7
1893-94.....	7,379,862	3,531,621	3,848,241	47.9	52.1
1894-95.....	8,247,553	3,510,670	4,736,883	42.6	57.4
1895-96.....	7,056,401	2,809,477	4,246,924	39.8	60.2
1896-97.....	7,718,279	2,841,857	4,876,422	36.8	63.2
1897-98.....	7,660,068	2,864,255	4,795,813	37.4	62.6
1898-99.....	7,931,275	2,995,438	4,935,837	37.8	62.2
1899-1900.....	8,560,109	3,056,294	5,503,815	35.7	64.3
1900-1901.....	9,618,333	3,646,059	5,972,274	37.9	62.1
1901-2.....	10,895,588	4,078,944	6,816,644	37.4	62.6
1902-3.....	9,804,339	4,144,453	5,659,886	42.3	57.7
1903-4.....	10,333,674	4,244,206	6,089,468	41.1	58.9
1904-5.....	9,552,635	4,629,937	4,922,698	48.5	51.5
1905-6.....	13,950,992	6,733,626	7,217,366	48.2	51.8
1906-7.....	14,486,073	7,342,255	7,143,818	50.7	49.3
1907-8.....	13,886,681	6,914,481	6,972,200	49.8	50.2
1908-9.....	14,565,944	7,638,069	6,927,875	52.4	47.6
1909-10.....	14,920,548	8,333,042	6,587,506	55.8	44.2
1910-11.....	16,926,398	8,371,178	8,555,220	49.5	50.5

¹ No data.² French product.³ France, 35,000 tons; Germany, 1,408 tons.

NOTE.—Statistics for 1812-13 are from report of the Minister of the Interior of France. Statistics for 1836-37 from Jules Helot's "Le Sucre de Betterave en France," 1800 to 1900, page 209. Statistics for 1840-51 from Monthly Summary of Commerce and Finance, February, 1901. Statistics for 1853-1904 from Twelfth Census, vol. 3, p. 451, with following references: "The statistics for the cane sugar production prior to 1888-89 are taken from trade circulars of Messrs. Rueb & Co., as printed in British official reports on the sugar trade (returns No. 325 of 1884 and No. 172 of 1889). Statistics for 1874-75 to 1880-81 have been increased by adding the exports from Hawaii which were not included in Rueb's estimates prior to 1881-82. Beginning with 1888-89 the statistics for cane sugar are taken from Willett & Gray's Weekly Statistical Sugar

Trade Journal, the returns for each of the first three years being increased 200,000 tons to allow for the product of countries not included prior to 1891-92. Beet sugar statistics for Europe since 1865-66 are Licht's figures, taken from Sugar Cane and the International Sugar Journal, and for the years 1853-54 to 1865-66, inclusive, from Jules Helot's *Le Sucre Betterave en France*, page 209. The statistics for the United States beet sugar for 1891-92 to 1894-95 are taken from the annual reports of the Commissioner of Internal Revenue; for 1897-98, from a special report of the Department of Agriculture; for 1899-1900, from the Twelfth Census; and for other years, from Willett & Gray, as cited in Bulletin 30 of the Department of Agriculture, "International Sugar Situation."

"Prior to 1888-89 the statistics for cane sugar refer to calendar years, but are given as if by campaigns, in order to compare with the beet sugar statistics. In the production of cane sugar, the figures for the calendar year in which the beet sugar campaign ends are taken as the figures for that campaign; for instance, the production of cane sugar for the calendar year 1854 is given for the campaign of 1853-54."

Statistics for 1903-1910, from Willett & Gray's Weekly Statistical Sugar Trade Journal.

EXHIBIT "PALMER No. 2."

World production of beet sugar, 1812 to 1910.

[Compiled by Truman G. Palmer from report of the French minister of the interior; statistics by Jules Helot, Paris, Albert Rothke, Magdeburg, and United States Statistical Abstract. All figures in metric tons, 2,204 pounds.]

Crop years.	France.	Germany.	Austria-Hungary.	Russia.	Belgium.	Holland.	United States.	Other countries.
1812-13.....	3,437							
1827-28 ¹	2,600							
1828-29.....	4,000							
1829-30.....	5,500							
1830-31.....	7,000							
1831-32.....	9,000							
1832-33.....	12,000							
1833-34.....	20,000							
1834-35.....	30,000							
1835-36.....	40,000							
1836-37.....	35,000	1,408						
1837-38.....	48,968	7,677						
1838-39.....	39,000	8,157						
1839-40.....	23,000	12,659						
1840-41.....	27,000	14,205						
1841-42.....	31,000	15,740						
1842-43.....	30,000	7,736						
1843-44.....	29,000	13,308						
1844-45.....	36,000	12,968						
1845-46.....	41,000	15,153						
1846-47.....	54,000	20,120						
1847-48.....	64,000	26,841						
1848-49.....	39,000	35,857						
1849-50.....	62,000	42,373						
1850-51.....	75,000	53,348						
1851-52.....	69,000	63,068						
1852-53.....	75,000	84,832						
1853-54.....	77,000	71,000	25,000	19,000	12,000			
1854-55.....	45,000	79,000	25,000	22,000	11,000			
1855-56.....	92,000	87,000	30,000	21,000	11,000			
1856-57.....	83,000	104,000	35,000	17,000	15,000			
1857-58.....	152,000	121,000	60,000	15,000	20,000			
1858-59.....	133,000	144,000	70,000	20,000	22,000			
1859-60.....	126,000	146,000	86,000	14,000	23,000			
1860-61.....	101,000	127,000	80,000	22,000	20,000	1,000		
1861-62.....	146,000	126,000	90,000	30,000	19,000	1,000		
1862-63.....	174,000	138,000	90,000	40,000	22,000	2,000		
1863-64.....	108,000	151,000	100,000	50,000	30,000	3,000	407	593
1864-65.....	149,000	171,000	130,000	70,000	25,000	4,000	407	593
1865-66.....	274,000	186,000	130,000	60,000	34,000	6,000	407	593
1866-67.....	214,000	201,000	150,000	110,000	50,000	7,000	407	593
1867-68.....	225,000	165,000	120,000	150,000	48,000	10,000	407	593
1868-69.....	211,000	208,000	140,000	100,000	42,000	12,000	407	1,593
1869-70.....	289,000	217,000	180,000	130,000	46,000	13,000	407	2,593
1870-71.....	289,000	263,000	220,000	140,000	60,000	16,000	407	2,593
1871-72.....	337,000	186,000	210,000	170,000	94,000	19,000	407	4,593
1872-73.....	408,000	263,000	230,000	220,000	90,000	26,000	508	4,492
1873-74.....	397,000	291,000	240,000	210,000	92,000	31,000	711	7,289
1874-75.....	451,000	256,000	230,000	180,000	90,000	24,000	102	6,898
1875-76.....	462,000	358,000	280,000	210,000	105,000	31,000	102	6,898
1876-77.....	243,009	291,000	290,000	240,000	69,000	22,000	102	5,898
1877-78.....	398,132	381,000	350,000	292,000	62,000	26,000	102	6,898
1878-79.....	432,636	430,000	390,000	273,000	93,000	27,000	204	6,796

¹ Napoleon Bonaparte established the beet-sugar industry in France in 1811 and 334 small factories were erected and in operation in 1814. Napoleon's overthrow at Waterloo in 1815 resulted in wrecking the industry, only two factories surviving the shock and some years elapsed before it recovered. In 1837, 542 factories were operating in France.

World production of beet sugar, 1812 to 1910—Continued.

					Belgium.	Holland.	United States.	Other countries.
1879-80.....	277,911	413,000	420,000	300,000	75,000	24,000	1,219	6,781
1880-81.....	330,889	573,000	510,000	277,000	89,000	28,000	508	8,462
1881-82.....	383,268	622,000	440,000	290,000	98,000	25,000	508	8,462
1882-83.....	425,193	849,000	490,000	319,000	108,000	29,000	508	11,462
1883-84.....	473,675	961,000	470,000	358,000	139,000	40,000	544	14,456
1884-85.....	294,035	1,147,000	650,000	406,000	115,000	40,000	968	20,032
1885-86.....	309,200	838,100	395,300	528,500	61,000	26,100	610	13,390
1886-87.....	506,400	982,100	555,300	480,900	112,000	40,000	813	9,187
1887-88.....	405,750	958,900	408,000	435,300	116,000	36,000	259	39,741
1888-89.....	432,800	990,900	517,600	500,000	118,000	41,400	1,891	25,109
1889-90.....	739,600	1,261,400	739,000	430,000	208,000	67,100	2,239	50,761
1890-91.....	641,600	1,336,200	767,500	520,000	187,000	73,600	3,516	106,485
1891-92.....	609,800	1,198,000	774,500	540,000	161,000	45,000	5,443	114,557
1892-93.....	549,200	1,230,800	793,000	404,100	170,000	65,300	12,214	127,725
1893-94.....	539,900	1,366,000	834,000	660,000	228,000	72,000	20,276	189,726
1894-95.....	744,300	1,828,000	1,044,600	595,000	247,000	88,300	20,420	119,580
1895-96.....	624,500	1,637,000	781,100	718,500	221,000	98,200	29,697	138,903
1896-97.....	702,500	1,821,200	929,900	719,500	280,000	172,100	38,149	175,761
1897-98.....	772,900	1,844,400	820,400	720,000	244,000	125,700	41,088	157,342
1898-99.....	781,900	1,722,400	1,039,000	765,000	212,000	149,800	33,001	134,499
1899-1900.....	918,400	1,795,500	1,096,100	893,000	272,000	171,000	74,164	231,036
1900-1901.....	1,100,100	1,979,100	1,083,300	893,500	325,000	178,100	78,114	340,086
1901-2.....	1,109,600	2,302,200	1,291,100	1,076,300	325,000	203,400	167,519	374,481
1902-3.....	823,700	1,789,000	1,044,800	1,169,600	202,000	102,400	198,190	317,710
1903-4.....	794,500	1,921,100	1,158,800	1,153,700	202,800	123,500	218,834	373,566
1904-5.....	614,700	1,605,400	881,500	929,800	170,800	136,500	219,703	318,997
1905-6.....	1,076,200	2,400,800	1,495,500	970,400	327,800	205,200	283,957	411,143
1906-7.....	747,100	2,242,000	1,330,600	1,439,000	281,800	179,400	438,849	466,881
1907-8.....	718,900	2,139,000	1,409,000	1,379,700	231,500	173,100	420,715	482,896
1908-9.....	791,600	2,079,200	1,383,600	1,243,600	246,000	214,300	386,464	536,126
1909-10.....	807,500	2,025,000	1,259,000	1,144,100	248,000	195,000	465,035	417,968

NOTE.—Other European states producing beet sugar in 1907-8 were as follows: Sweden, 98,360 tons; Italy, 140,283; Spain, 96,979; Denmark, 49,260; Roumania, 19,715; Servia, 3,900; Switzerland, 3,148; Bulgaria, 2,829; Greece, 2,068.

Exhibit "PALMER No. 3."

European exports of sugar, by countries, from 1885 to 1910.

[Compiled by Truman G. Palmer, from "Verzeichnis der Zuckerraffinerien und Raffinerien Deutschland und des Auslandes," vol. I, by Albert Rathke.]

Year.	Germany.	Russia.	France.	Austria-Hungary.	Belgium.	Netherlands.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1885-86.....	500,321	126,114	91,000	197,748	89,300	90,906
1886-87.....	661,128	56,698	125,200	299,631	99,100	99,036
1887-88.....	514,717	56,625	114,660	188,392	97,000	102,514
1888-89.....	612,250	69,328	212,788	285,428	100,400	101,794
1889-90.....	744,146	33,528	394,742	410,198	181,830	106,368
1890-91.....	750,226	87,013	316,560	472,458	157,300	136,547
1891-92.....	692,911	111,678	240,810	408,618	132,700	133,852
1892-93.....	726,158	21,748	240,897	481,321	150,000	145,845
1893-94.....	728,322	84,439	284,174	460,091	186,700	123,700
1894-95.....	1,046,043	85,472	333,096	452,884	158,600	133,650
1895-96.....	958,129	181,454	248,388	504,531	166,000	180,006
1896-97.....	1,237,521	117,330	360,098	566,106	234,800	176,455
1897-98.....	1,041,801	143,443	403,672	493,455	179,400	180,408
1898-99.....	1,008,038	96,409	271,455	719,018	213,000	168,008
1899-1900.....	973,863	188,921	565,950	707,410	200,000	148,956
1900-1901.....	1,144,250	162,347	722,782	693,029	267,400	152,316
1901-2.....	1,216,498	135,818	510,500	817,531	191,700	171,239
1902-3.....	1,179,120	197,514	229,100	779,858	158,000	165,192
1903-4.....	873,623	209,000	252,900	597,656	137,300	143,996
1904-5.....	766,521	208,000	254,290	487,000	142,400	219,580
1905-6.....	1,145,314	70,900	388,700	867,200	191,000	170,625
1906-7.....	1,103,571	144,000	328,910	797,800	208,300	169,400
1907-8.....	960,115	322,000	296,900	875,800	146,700	190,000
1908-9.....	838,415	295,200	230,200	845,200	154,900	177,000
1909-10.....	772,000	.....	260,000	740,000	.....	141,000

EXHIBIT "PALMER No. 4."

United States tariff and tariff concessions as affecting sugar production.

[Compiled by Truman G. Palmer.]

Year.	Hawaii cane sugar.	United States beet sugar.	Louisiana cane sugar.	Porto Rico cane sugar.	Cuba cane sugar.	Philippines cane sugar.
	<i>Long tons.</i>	<i>Long tons.</i>	<i>Long tons.</i>	<i>Metric tons.</i>	<i>Long tons.</i>	<i>Long tons.</i>
1877.....	¹ 11,417	100	85,122	57,742	520,000	122,786
1878.....	17,156	100	65,671	77,271	533,000	117,932
1879.....	21,884	200	106,910	69,489	670,000	134,805
1880.....	28,386	1,200	76,654	52,492	530,000	180,723
1881.....	41,870	500	121,867	56,778	493,000	211,417
1882.....	50,972	500	71,373	80,068	595,000	152,230
1883.....	50,940	500	135,297	77,635	460,397	215,236
1884.....	63,685	535	128,443	96,868	558,937	122,675
1885.....	76,495	948	94,376	88,960	631,000	202,791
1886.....	96,528	600	127,958	77,635	731,723	185,799
1887.....	94,983	800	80,859	96,868	646,578	179,149
1888.....	105,307	2,055	157,971	60,087	656,719	185,308
1889.....	108,170	1,861	144,877	63,403	560,333	218,926
1890.....	115,979	2,203	130,413	58,167	632,368	147,526
1891.....	122,760	3,459	215,844	51,210	816,980	166,410
1892.....	119,034	5,356	160,937	41,866	976,960	246,941
1893.....	147,688	12,018	217,525	.....	815,894	261,518
1894.....	136,917	19,950	265,836	48,423	1,054,214	194,320
1895.....	131,600	20,092	317,351	59,958	1,004,264	230,922
1896.....	198,022	29,220	237,720	55,783	225,221	229,944
1897.....	232,213	² 37,536	282,009	.....	212,051	202,092
1897-98.....	204,823	40,399	310,447	54,000	³ 314,009	178,000
1898-99.....	252,506	32,471	245,511	53,825	345,261	76,000
1899-1900.....	258,521	72,944	132,000	⁴ 35,000	308,543	62,785
1900-1901.....	321,461	76,859	270,000	⁵ 80,000	635,856	55,400
1901-2.....	317,509	163,126	310,000	85,000	850,181	⁶ 78,637
1902-3.....	391,062	195,463	300,000	85,000	⁷ 998,878	90,000
1903-4.....	328,103	208,135	215,000	130,000	1,040,228	84,000
1904-5.....	380,576	209,722	335,000	145,000	1,163,258	106,875
1905-6.....	383,225	283,717	330,000	213,000	1,178,749	145,525
1906-7.....	392,871	423,010	230,000	210,000	1,427,673	145,500
1907-8.....	465,288	440,200	340,000	200,000	961,958	135,374
1908-9.....	477,817	384,010	355,000	245,000	1,513,582	⁸ 150,000
1909-10.....	462,613	450,595	335,000	308,000	1,804,349	120,000
1910-11.....	485,000	445,000	311,000	320,000	1,900,000	150,000

Statistics 1877-1897, except United States beet and Louisiana cane from Summary of Commerce and Finance, July, 1902, Hawaii, p. 2665; Porto Rico, p. 2737; Cuba, p. 2651; Philippines, pp. 2753-2754; statistics for Louisiana cane sugar and United States beet sugar 1877-1897 from 1908 Statistical Abstract, p. 199; Statistics for 1897-1909 from Willett & Gray's Statistical Sugar Trade Journal; 1910-11 estimated by W. & G. Louisiana cane and United States beet sugar figures are "production"; all others are "exports."

¹ Sept. 9, 1876, Hawaiian reciprocity, admitting Hawaiian sugar to the United States free of duty.

² July 24, 1897, Dingley tariff bill passed, affording protection to home sugar industry.

³ 1897-1910, long tons.

⁴ May 1, 1900, Porto Rican sugar admitted to United States at 85 per cent reduction of duty.

⁵ July 26, 1901, Porto Rican sugar admitted to United States free of duty.

⁶ July 1, 1902, Philippine sugar admitted to United States at 25 per cent reduction of duty.

⁷ Dec. 27, 1903, Cuban sugar admitted to United States at 20 per cent reduction of duty.

⁸ Aug. 5, 1909, Philippine sugar to extent of 300,000 tons annually admitted to United States free of duty.

EXHIBIT "PALMER No. 5."

United States Census reports on the United States beet sugar industry.

[Twelfth Census, Vol. 9, Manufactures, pp. 545-555. Bulletin No. 61, Census of Manufactures, 1905, pp. 59-64. Special Bulletin, Bureau of the Census, Mar. 20, 1911—Compiled from Census reports by Truman G. Palmer.]

	1879	1899	1904	1909
Number of establishments.....	¹ 4	30	² 51	65
Capital.....	\$365,000	\$20,141,719	\$55,923,349	.....
Officers of corporations, number.....	48	122	.....
Officers of corporations, salaries.....	\$114,300	\$284,781	.....
General superintendents, managers.....
Clerks, etc., number.....	302	641	.....
Clerks, salaries.....	\$242,375	\$719,855	.....
Wage earners, average number.....	350	1,970	3,963	.....
Wage earners, total wages.....	\$62,271	\$1,092,207	\$2,486,702	.....
Miscellaneous expenses.....	\$441,384	\$1,999,555	.....
Materials used, total cost of all.....	\$4,803,796	\$14,486,876	.....
Materials used, sugar beets, tons.....	794,658	2,175,417	3,965,300
Materials used, sugar beets, cost.....	\$3,485,320	\$11,345,785	.....
Materials used, limestone, tons.....	64,805	161,347	.....
Materials used, limestone, cost.....	\$351,893	.....
Materials used, coke, tons.....	7,519	16,585	.....
Materials used, coke, cost.....	\$148,721	.....
Materials used, sulphur, tons.....	149	695	.....
Materials used, sulphur, cost.....	\$30,408	.....
Materials used, fuel, cost.....	\$453,036	\$1,225,015	.....
Materials used, all other materials.....	³ \$186,128	\$865,440	\$1,385,054	.....
Products, value of all.....	\$282,572	\$7,323,857	\$24,393,794	\$48,122,000
Products, granulated sugar, pounds.....	115,686,356	496,618,314	993,600,000
Products, granulated sugar, value.....	\$5,580,527	\$23,493,873	\$45,646,000
Products, raw sugar, pounds.....	47,771,719	11,223,607	9,800,000
Products, raw sugar, value.....	\$1,642,054	\$431,229	\$292,000
Products, molasses, gallons.....	3,551,856	9,609,542	20,812,800
Products, molasses, value.....	\$25,102	\$221,097	\$1,129,000
Products, beet pulp, value.....	\$21,822	\$202,070	(⁴)
Products, all other products, value.....	\$54,352	\$46,025	\$1,055,000

¹ Two in California, one each in Maine and Delaware.
² Three factories idle, forty-eight operated in 1899.

³ All materials.
⁴ Not given separately.

Factories and beets.

	1879	1899	1904	1909
Number of establishments.....	4	30	¹ 51	65
Capital invested.....	\$365,000	\$20,141,719	\$55,923,459	² \$71,274,970
Capital per factory.....	\$91,200	\$671,390	\$1,096,538	² \$1,096,538
Tons of beets sliced.....	.....	794,658	2,175,417	3,965,300
Tons of beets sliced per factory.....	.....	26,488	45,321	61,004

¹ Three factories idle; 48 in operation.
² Based on capital per factory in 1904. Capital in 1909 not given by Census.

Sugar produced.

	1899	1904	1909
Granulated sugar, pounds (Census).....	115,686,356	496,618,314	993,600,000
Raw sugar, pounds (Census).....	47,771,719	11,223,607	9,800,000
Total in granulated sugar, pounds ¹	158,680,904	506,719,561	1,002,420,000
Total in granulated sugar, tons.....	79,341	253,359	501,210
Tons of sugar produced per factory.....	2,644	5,278	7,643

¹ Raw sugar converted to granulated, on basis of 100 pounds of raw yielding 90 pounds of refined.

Value of sugar.

	1899	1904	1909
Value of granulated sugar (Census).....	\$5,580,527	\$23,493,373	\$45,646,000
Value of raw sugar (Census).....	1,642,054	431,229	292,000
Value of all sugar ¹	7,653,180	23,972,902	46,051,174
Value of refined sugar, per 100 pounds.....	4.823	4.731	4.594

¹ Raw sugar converted to refined and valued at same price per pound.

Value of by-products.

	1899	1904	1909
Molasses.....	\$25,102	\$221,097	\$1,129,000
Beet pulp.....	21,822	202,070	(¹)
All other products.....	54,352	46,025	1,055,000
Total value.....	101,276	469,192	2,184,000

¹ Not given separately.

Value of all products.

	1899	1904	1909
Value of sugar.....	\$7,653,180	\$23,972,902	\$46,051,174
Value of all other products.....	101,276	469,192	2,184,000
Total of all products.....	7,754,456	24,442,094	48,235,174

Expense of campaigns.

	1899	1904	1909
Sugar beets.....	\$3,485,320	\$11,345,785	¹ \$23,791,800
Fuel.....	453,036	1,225,015	² 2,232,940
All other supplies.....	865,440	1,916,076	² 3,492,557
Officers' salaries.....	114,300	284,781	² 361,660
General superintendents, managers, clerks, etc.....	242,375	719,855	² 917,410
Wage earners.....	1,092,207	2,486,702	² 4,532,338
Miscellaneous expenses.....	441,384	1,999,555	² 3,644,507
Total as per census.....	6,604,062	19,977,769	38,973,212
Cost of working raw sugar ⁴	157,646	37,037	32,340
Total cost.....	6,851,708	20,014,807	39,005,552
Value of all by-products.....	101,276	469,192	2,184,000
Balance chargeable to granulated sugar.....	6,750,432	19,545,615	36,821,552

¹ On basis of \$6 per ton, the average of costs given by Messrs. Oxnard, Warren, Cutler, and Morey, for 29 factories located in Michigan, Nebraska, Colorado, Montana, Utah, Idaho, and California, pp. 400, 660, 797, and 818 of hearings before special committee of the House of Representatives on the Investigation of the American Sugar Refining Co., June, 1911. Oxnard, \$5.75 to \$6; Warren, \$6.59 to \$7.02; Cutler, \$5.60 to \$5.65; Morey, \$5.44. Price for beets in 1909 not given in Census report.

² Not given in 1909 Census report. Based on same amount per ton of beets as given in 1904 Census report.

³ Not given in 1909 Census report. Based on an increase corresponding to the increase in number of factories.

⁴ On basis of 33 cents per 100 pounds.

Expense per ton of beets.

	1899	1904	1909
Sugar beets.....	\$4.3860	\$5.2154	\$6.0000
Fuel.....	.5701	.5631	.5631
All other supplies.....	1.0891	.8808	.8808
Officers' salaries.....	.1438	.1309	.0912
General superintendents, managers, clerks, etc.....	.3050	.3309	.2313
Wage earners.....	1.3744	1.1431	1.1431
Miscellaneous expenses.....	.5555	.9191	.9191
Cost of working raw sugar.....	.1983	.0170	.0087
Total cost per ton of beets.....	8.6223	9.2004	9.8373

Expense per 100 pounds of sugar.

	1899	1904	1909
Sugar beets.....	\$2.1974	\$2.2393	\$2.3734
Fuel.....	.2856	.2418	.2228
All other supplies.....	.5456	.3782	.3484
Officers' salaries.....	.0721	.0562	.0361
General superintendents, managers, clerks, etc.....	.1528	.1421	.0915
Wage earners.....	.6886	.4908	.4522
Miscellaneous expenses.....	.2783	.3946	.3636
Cost of working raw sugar.....	.0903	.0073	.0035
Total.....	4.3197	3.9503	3.8915
Value of by-products per 100 pounds sugar.....	.0636	.0926	.2178
Net cost of sugar per 100 pounds.....	4.2561	3.8577	3.6737

NOTE.—If, with the increased extraction, the cost per ton of beets in 1909 had been the same as in 1904, the cost of production would have been \$3.3633 per 100 pounds. Beets in 1909 averaged 16.10 per cent sugar and the extraction was 12.56 per cent, or 251.2 pounds sugar per ton of beets, making the sugar in the beets cost \$2.3734 per 100 pounds. The price of 16 per cent beets in 1891, when the industry was established east of the Rocky Mountains, was \$4 per ton, at which figure an extraction of 251.2 pounds would cost \$1.5823 per 100 pounds. Had the price of beets not been increased, the cost of production in 1909 would have been lower by 79.11 cents per 100 pounds, or \$2.8826 per 100 pounds of sugar instead of \$3.6737.

DEPRECIATION.—In the above figures nothing has been carried in for depreciation of plants. Four per cent depreciation amounts to 50.6 cents per 100 pounds of sugar produced in 1899, 44.2 cents in 1904, and 28.5 cents in 1909, thus making the cost of production \$4.7621 per 100 pounds in 1899, \$4.2997 in 1904, and \$3.9587 in 1909.

Investment in land, buildings, machinery, cash, and sundries in 51 American beet-sugar factories in 1904.

	Total capital invested. ¹	Average investment per factory.	Average investment per ton of beets daily slicing capacity.	Per cent of total investment.
Land.....	\$1,737,943	\$34,117	\$48	3.11
Buildings ²	11,466,749	224,838	319	20.50
Machinery ²	28,695,825	562,663	799	51.31
Cash and sundries.....	14,022,942	274,959	390	25.08
Total.....	55,923,459	1,096,577	1,556	100.00

¹ 1905 Census Report.

² When constructed, none of these factories were equipped with Steffens or Osmose processes or with pulp dryers. Most of them have been so equipped within the past few years or now are being so equipped, hence the present investment in both machinery and buildings, but mostly in machinery, is materially larger than it was in the census year 1904.

Financial results of campaigns.

	1899	1904	1909
Capital invested.....	\$20,141,719	\$55,923,459	\$71,274,970
Cost of materials, labor, and miscellaneous expenses.....	6,851,708	20,014,807	39,005,552
Four per cent for depreciation ¹	805,668	2,236,934	2,850,998
Total cost of campaign.....	7,657,376	22,251,741	41,856,550
Total value of all products.....	7,754,456	24,442,094	48,235,174
Margin for interest and profit.....	97,080	2,190,353	6,378,624
Rate of return on investment.....per cent..	.48	3.90	8.95

¹ In the United States depreciation is figured variously at from 2½ to 6 per cent of the total investment. In Europe it is customary to figure 8 per cent on the machinery, which slightly exceeds 4 per cent on the total investment.

Financial results of campaigns per factory.

	1899	1904	1909
Capital invested.....	\$649,732	\$1,096,538	\$1,096,538
Cost of materials, labor, and miscellaneous expenses.....	221,023	392,447	600,065
4 per cent for depreciation.....	25,989	43,861	43,861
Total cost of campaign.....	247,012	436,308	643,946
Total value of all products.....	250,143	479,256	742,079
Margin for interest and profit.....	3,131	42,948	98,133
Rate of return on investment.....per cent..	.48	3.90	8.95

NOTE.—Basis of 31 factories in 1899, 51 in 1904, and 65 in 1909. One factory idle in 1899; 3 factories idle in 1904.

General results.

	1899	1904	1909
Pounds of sugar extracted, per ton of beets.....	199.6	232.9	252.8
Sugar extraction, per cent of weight of beets.....	9.98	11.64	12.64
Cost of sugar in the beet, per 100 pounds.....	\$2.197	\$2.239.	\$2.373
Labor, materials other than beets, and general expenses per 100 pounds.....	\$2.059	\$1.618	\$1.300
Cost of sugar per 100 pounds, not including depreciation.....	\$4.256	\$3.857	\$3.673
Value of sugar per 100 pounds.....	\$4.819	\$4.731	\$4.594
Margin per 100 pounds for depreciation and dividends.....	\$0.563	\$0.874	\$0.921
Average New York wholesale price of granulated sugar ¹	\$4.917	\$4.772	\$4.765
Domestic beet sugar below New York wholesale price, per 100 pounds.....cents..	9.8	4.1	17.1
Estimated saving to consumers on beet sugar output ²	\$790,131	\$2,234,633	\$5,723,818

¹ New York wholesale price, census year 1879, \$3.81 per 100 pounds.

² Based on the difference in value, compared to New York price, plus 40 cents freight charges per 100 pounds, New York to Missouri River.

JUNE 2, 1899. GERMANY'S BEET-SUGAR INDUSTRY FROM 1877 TO 1899.

Everyone who has ever tried to collate facts and figures concerning the production of sugar in the world or in any individual country knows how well-nigh impossible it is to secure exact data relating to the subject.

In the following I have endeavored to compile from the most recent and reliable sources all the statistical material bearing on the beet-sugar industry in Germany during the past 20 years, which I trust may be of some use for future reference. As will be seen, the data have been grouped under three heads:

- (a) Those relating to work done in the sugar-beet fields.
- (b) Those relating to work done in the beet-sugar factories.
- (c) Those relating to the marketing and consumption of beet sugar.

The unit of weight used in these tables is the metric ton, which is generally adopted in Europe, of 1,000 kilograms (2,204.6 pounds).

TABLE A.—*Sugar-beet farming.*

Year.	Area cultivated.	Beets harvested per acre.	Value of beets per acre.	Average prices of beets per ton.
	<i>Acres.</i>	<i>Tons.</i>		
1877-78.....	258,809	11,088	\$55.45	\$5.00
1878-79.....	266,075	11,696	62.48	5.00
1879-80.....	279,230	10,199	55.57	4.85
1880-81.....	292,574	13,234	67.49	4.60
1881-82.....	299,624	11,453	61.28	5.40
1882-83.....	319,406	13,922	73.19	5.30
1883-84.....	347,924	12,100	63.83	5.30
1884-85.....	370,840	13,314	52.59	4.00
1885-86.....	343,145	12,221	46.44	3.80
1886-87.....	365,169	12,141	43.24	4.60
1887-88.....	651,815	10,684	49.68	4.70
1888-89.....	691,897	11,412	54.78	4.30
1889-90.....	752,259	13,314	61.25	4.60
1890-91.....	825,825	13,081	63.86	4.90
1891-92.....	861,583	11,412	54.21	4.80
1892-93.....	869,829	11,291	54.20	4.80
1893-94.....	954,995	11,125	55.65	5.00
1894-95.....	1,090,801	13,273	63.71	4.80
1895-96.....	930,749	12,546	51.44	4.10
1896-97.....	1,049,881	13,072	53.60	4.10
1897-98.....	1,079,810	8,619	50.48	4.00
1898-99.....	1,054,229	11,519	.....	.....

As the future of the German export trade in sugar has of late been engaging many minds, I would call special attention to the above figures bearing on this export up to the present date. These very clearly show that Germany must find an outside market for two-thirds of her production and that most of this surplus for the past five years has been sold to England and the United States. It will also be seen that in 1897 more than double the usual quantity was rushed to our country in anticipation of the enactment of the Dingley law, but that the following year (1898) showed again a fair average of export. The first three months of the present calendar year seem to furnish no reason for complaint to the German exporter of sugar. From January 1 to March 31, 1899, the values of sugar declared at the United States consulates at Magdeburg, Hamburg, Danzig, and Stettin for export to the United States amounted to \$3,739,934.06, which is an increase of \$3,455,695.29 over those reported during the first quarter of last year.

I close this report by adding a short table showing exports of German sugar from the consular district of Magdeburg during the past four years:

Beet sugar exported from Magdeburg to the United States.

Calendar year.	Raw sugar.	Refined sugar.
1895.....	\$943,123.84	\$133,967.75
1896.....	4,302,535.60	610,960.46
1897.....	5,973,290.29	329,379.58
1898.....	4,735,957.82	32,930.38

HENRY W. DIEDERICH, *Consul.*

MAGDEBURG, *April 20, 1899.*

EXHIBIT "PALMER No. 6."
TABLE B.—Beet-sugar manufacturing.

Year.	Number of factories operated.	Number of steam engines.	Number of horsepower.	Beets worked.	Total pro- duction of raw sugar.	Total pro- duction of molasses.	Average production per factory.	Raw sugar from 1 ton of beets.	Beets re- quired for 1 ton of raw sugar.	Sugar in the beet.	Number of 12-hour workdays.	Beets worked in 1 12-hour workday.	Number of sugar refineries.	Total pro- duction in raw, includ- ing that from mo- lasses.
1877-78..	329	2,413	25,788	Tons. 4,080,968	Tons. 378,009	Tons. 122,813	Tons. 1,149	Pounds. 203.7	Tons. 10.82	Per cent. 9.24	75,320	Tons. 54	64	Tons. 383,828
1878-79..	324	2,493	26,882	4,628,748	426,155	133,652	1,315	203.04	10.86	9.21	75,895	61	63	430,694
1879-80..	328	2,627	29,586	4,805,262	409,415	131,371	1,248	187.83	11.74	8.52	70,909	67.8	61	424,125
1880-81..	333	2,812	32,209	6,322,203	555,915	164,984	1,669	191.8	11.37	8.79	82,052	77.1	58	564,223
1881-82..	343	3,046	35,476	6,271,948	599,722	150,813	1,748	210.75	10.46	9.56	76,325	82.2	58	644,780
1882-83..	358	3,365	40,515	8,747,154	831,995	196,305	2,603	209.66	10.51	9.51	94,816	92.3	58	848,124
1883-84..	376	3,715	46,158	8,918,130	940,109	207,978	2,500	232.36	9.49	10.54	89,956	99.1	57	986,403
1884-85..	406	4,196	56,119	10,402,688	1,123,030	259,700	2,753	237.88	9.26	10.79	97,065	107.2	61	1,154,817
1885-86..	399	4,188	57,194	7,070,316	808,105	180,178	2,025	251.99	8.75	11.43	65,642	107.7	60	828,131
1886-87..	401	4,276	58,770	8,306,671	985,628	215,887	2,458	261.69	8.43	11.87	72,593	114.4	48	1,011,918
1887-88..	391	4,292	58,325	6,963,901	910,698	183,037	2,329	288.36	7.65	13.08	59,856	116.3	48	960,496
1888-89..	396	4,363	60,313	7,896,183	944,505	201,189	2,385	263.67	8.36	11.96	66,727	118.3	46	980,891
1889-90..	401	4,509	63,753	9,822,635	1,213,689	240,797	3,027	272.49	8.09	12.36	76,447	128.5	51	1,261,353
1890-91..	406	4,716	68,691	10,623,319	1,284,485	263,094	3,164	266.53	8.27	12.09	79,138	134.2	52	1,336,220
1891-92..	403	4,879	73,211	9,488,002	1,144,368	244,969	2,840	265.87	8.29	12.06	65,430	145	51	1,198,026
1892-93..	401	5,122	81,596	9,811,940	1,171,843	241,805	2,922	263.23	8.37	11.94	62,357	157.4	58	1,230,835
1893-94..	405	5,256	87,421	10,644,352	1,316,665	279,299	3,251	272.47	8.10	12.34	63,294	168.2	57	1,366,001
1894-95..	405	5,324	94,952	14,521,030	1,766,805	347,080	4,362	267.96	8.23	12.15	80,185	181.1	55	1,827,974
1895-96..	397	5,320	97,977	11,672,816	1,537,522	328,463	3,873	286.82	7.63	13.11	59,417	196.5	56	1,637,057
1896-97..	399	5,446	105,788	13,721,601	1,738,885	342,322	4,358	279.1	7.9	12.66	68,757	199.6	51	1,821,223
1897-98..	402	5,563	114,211	13,697,892	1,755,229	344,480	4,366	281.97	7.8	12.79	63,442	215.9	50	1,844,400
1898-99..	401			12,144,291	1,710,000		4,264	310.42	7.1	13.15			54	1,725,000

TABLE C.—Beet-sugar marketing and consumption.

Year.	Total ex- port of raw sugar.	Export to United States.	Export to Great Britain.	Total im- port of raw sugar.	Total im- port of refined sugar.	Total consump- tion.	Con- sumption per capita.	Mean prices per pound.		Total proceeds from taxes, duties, etc.				Per capita.
								Raw sugar.	Refined sugar.	Receipts from—		Export bounties paid.	Total net proceeds.	
										Taxes.	Duties.			
1877-78.....	Tons. 71,201	Tons.	Tons.	Tons. 1,107	Tons. 4,915	Tons. 290,114	Pounds. 14.77	Cents. 6.26	Cents. 8.8	\$15,578,407	\$563,842	\$4,249,531	\$11,892,717	Cents. 27.37
1878-79.....	137,250	.....	.....	1,530	3,902	296,049	14.77	6.1	8.37	17,626,273	502,840	6,035,673	12,093,200	27.6
1879-80.....	132,597	.....	.....	1,676	2,983	281,514	13.889	7.44	9.28	18,296,347	411,637	5,745,652	12,962,337	29.27
1880-81.....	283,108	.....	.....	1,265	2,265	277,619	14.991	6.69	8.74	26,433,225	352,470	13,458,421	10,971,074	26.66
1881-82.....	314,693	.....	.....	1,505	2,202	291,045	14.33	6.69	8.85	24,635,633	361,297	10,332,190	13,912,684	30.7
1882-83.....	471,762	.....	.....	2,371	2,104	366,045	17.857	6.46	8.15	33,310,111	411,768	17,706,045	16,014,280	35.46
1883-84.....	594,702	.....	.....	1,876	1,558	349,671	16.975	5.66	7.66	35,529,449	333,317	22,919,935	11,373,619	24.99
1884-85.....	682,484	.....	.....	2,076	1,264	458,606	21.826	3.93	5.61	39,613,463	328,112	30,571,744	9,369,863	20.47
1885-86.....	499,318	.....	.....	2,620	1,230	313,358	14.991	5.08	6.53	26,923,826	341,456	21,436,084	5,829,146	12.61
1886-87.....	658,368	.....	.....	1,568	1,462	361,476	16.976	4.11	7.72	33,608,694	293,216	25,899,398	8,002,512	17.14
1887-88.....	512,963	} 11,426	274,277	4,079	1,580	398,163	20.944	5.18	6.48	28,176,106	442,442	25,125,184	3,493,126	7.38
1888-89.....	610,207			2,016	1,908	357,614	15.653	22.31	3.78	6.21	25,899,172	351,526	19,058,068	7,162,610	14.76
1889-90.....	741,582	.....	.....	2,109	1,633	447,116	23.236	3.23	6.05	33,549,670	359,380	14,746,490	19,173,042	39.03
1890-91.....	747,571	.....	.....	3,694	2,761	470,253	23.325	3.45	5.88	36,142,442	537,166	18,648,728	18,030,880	36.18
1891-92.....	690,329	.....	.....	4,220	3,499	476,265	24.207	3.99	6.42	34,156,570	746,844	17,757,418	17,145,996	34.03
1892-93.....	722,413	.....	.....	937	1,005	501,319	24.69	3.02	5.88	20,463,240	165,430	8,199,338	12,427,170	24.51
1893-94.....	724,153	.....	.....	600	448	516,630	24.69	2.72	5.72	22,185,646	98,770	2,713,438	19,576,978	38.08
1894-95.....	1,040,551	.....	.....	733	448	552,695	16.168	1.84	4.48	23,854,407	124,712	3,576,044	20,399,932	39.27
1895-96.....	952,637	.....	.....	765	465	668,860	31.217	2.38	4.97	28,930,804	130,990	4,380,866	24,680,838	46.89
1896-97.....	1,229,592	.....	.....	665	781	585,234	23.259	2.14	5.04	26,643,148	121,380	6,083,756	20,680,772	24.51
1897-98.....	1,033,262	.....	.....	513	707	803,897	28.814	2.18	5.04	32,626,230	105,910	8,724,942	24,007,298	44.26
1898-99.....	.....	.....	.....	.....	.....	.....	.....	2.25	5.13	.....	.....	.....	.....	.....

EXHIBIT "PALMER NO. 7."

Germany and the United States—Twenty-five years progress in the production of certain staple crops.

[Compiled by Truman G. Palmer from Yearbook of the U. S. Department of Agriculture and Yearbook of the German Government.]

ACREAGE.

	Germany.		United States.	
	1884	1909	1884	1909
Wheat.....	4,739,811	4,523,516	39,476,000	46,723,000
Rye.....	14,403,464	15,142,908	2,344,000	2,006,000
Barley.....	4,286,104	4,066,494	2,609,000	7,011,000
Oats.....	9,307,767	10,645,618	21,301,000	33,204,000
Potatoes.....	7,181,846	8,209,620	2,221,000	3,525,000
Total.....	39,918,992	42,588,156	67,951,000	93,469,000

TOTAL YIELD IN BUSHELS.

	Germany.			United States.		
	1884	1909	Bushels per capita.	1884	1909	Bushels per capita.
Wheat.....	91,004,371	137,967,238	2.3	512,765,000	737,189,000	8.2
Rye.....	213,171,267	417,944,260	6.9	28,640,000	32,239,000	.3
Total.....	304,175,638	555,911,498	9.2	541,405,000	769,428,000	8.5
Barley.....	102,437,885	160,219,863	2.7	61,203,000	170,284,000	1.9
Oats.....	309,948,641	629,156,023	10.5	583,628,000	1,007,353,000	11.2
Total of 4 cereals....	716,562,164	1,345,287,384	22.4	1,186,236,000	1,947,065,000	21.6
Potatoes.....	905,630,780	1,714,969,618	28.6	190,642,000	376,537,000	4.2
Grand total.....	1,622,192,944	3,060,277,002	51.0	1,376,878,000	2,323,602,000	25.8

UNITED STATES FARM VALUE PER BUSHEL, DEC. 31.

	Wheat.	Rye.	Barley.	Oats.	Potatoes.
	Cents.	Cents.	Cents.	Cents.	Cents.
1884.....	64.5	51.9	48.7	27.7	39.6
1909.....	99.0	73.9	55.2	40.5	54.9

TOTAL VALUE OF YIELD.

[Values for both Germany and United States based on United States farm value Dec. 31.]

	Germany.		United States.	
	1884	1909	1884	1909
Wheat.....	\$58,697,819	\$136,587,565	\$330,862,000	\$730,046,000
Rye.....	110,635,887	308,860,808	14,857,000	23,809,000
Barley.....	49,887,249	88,441,364	29,779,000	93,971,000
Oats.....	85,855,773	254,808,189	161,528,000	408,174,000
Potatoes.....	358,629,788	941,529,300	75,524,000	206,545,000
Total.....	663,706,516	1,730,227,226	612,550,000	1,462,545,000

Germany and the United States—Twenty-five years progress in the production of certain staple crops—Continued.

YIELD PER ACRE AND VALUE OF YIELD PER ACRE.

[Values for both Germany and United States based on United States farm values Dec. 31.]

	Germany.					
	1884		1909		Increase.	
	Bushels.	Value.	Bushels.	Value.	Bushels.	Per cent.
Wheat.....	19.2	\$12.38	30.5	\$30.19	11.3	58.8
Rye.....	14.8	7.68	27.6	20.39	12.8	85.1
Barley.....	23.9	11.63	39.4	21.74	15.5	64.8
Oats.....	33.3	9.22	59.1	23.93	25.8	77.4
Average, 4 cereals.....	21.9	9.32	39.1	23.23	17.2	.....
Potatoes.....	126.1	49.93	208.9	114.68	82.8	65.6
Average, 5 crops.....	40.6	16.62	71.8	40.62	31.2	.....

	United States.					
	1884		1909		Increase.	
	Bushels.	Value.	Bushels.	Value.	Bushels.	Per cent.
Wheat.....	13.0	\$8.38	15.8	\$15.64	2.8	21.5
Rye.....	12.2	6.33	16.1	11.89	3.9	21.2
Barley.....	23.5	11.44	24.3	13.41	.8	3.4
Oats.....	27.4	7.58	30.3	12.27	2.9	10.5
Average, 4 cereals.....	18.0	8.17	21.6	13.96	3.6	.....
Potatoes.....	85.8	33.97	106.8	58.63	21.0	24.4
Average, 5 crops.....	20.2	9.01	24.8	15.64	4.6	.....

GERMANY'S INCREASED YIELD PER ACRE IN 25 YEARS COMPARED TO UNITED STATES PRESENT YIELD.

	Germany.			United States.
	Bushels per acre.	Bushels per acre.	Increase per acre in 25 years.	Yield per acre.
	1884	1909		1909
Wheat.....	19.2	30.5	11.3	15.8
Rye.....	14.8	27.6	12.8	16.1
Barley.....	23.9	39.4	15.5	24.3
Oats.....	33.3	59.1	25.8	30.3
Potatoes.....	126.1	208.9	82.8	106.8

Germany and the United States—Twenty-five years progress in the production of certain staple crops—Continued.

FINAL ANALYSIS IN PROGRESS OF GERMAN AGRICULTURE: CEREALS AND POTATOES, 1884-1909; SUGAR BEETS, 1887-1907.

[Compiled by Truman G. Palmer.]

	Increase in yield per acre.	Increase in price per bushel.	Increase or decrease in area planted.	Increase in total pro- duction.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Wheat.....	58.8	53.5	- 4.5	51.6
Rye.....	85.1	42.4	+ 5.1	93.0
Barley.....	64.8	13.3	- 5.4	56.4
Oats.....	77.4	46.2	+14.2	102.9
Average, 4 cereals.....	78.5	39.2	+ 5.0	87.7
Potatoes.....	65.6	38.6	+14.3	89.3
Average, 5 crops.....	88.6	45.4	+ 6.7	88.6
Sugar beets.....	7.1	-53.3	+60.4	70.6

¹ Increase in tons of sugar beets produced.

NOTE.—Increase in sugar extraction, 1887-1907, 28.9 per cent. Increase in sugar production, 1887-1907, 119.5 per cent.

Progress of the beet-sugar industry in the United States, 1904 to 1909.

[Compiled by Truman G. Palmer from annual reports of C. F. Saylor to the United States Department of Agriculture.]

State.	Year.	Factories in opera- tion.	Area har- vested.	Average yield of beets per acre.	Beets worked.	Sugar manufactured.		Average purity coeffi- cient of beets.	Average sugar in beets.	Esti- mated average extrac- tion.	Average loss in extrac- tion.	Average length of cam- paign.
						Pounds.	Tons of 2,000 pounds.					
California.....	1904	5	Acres. 32,801	Short tons. 12.01	Short tons. 395,452	93,311,900	46,656	Per cent. 81.13	Per cent. 15.74	Per cent. 12.5	Per cent. 3.24	Days. 79.5
	1905	6	51,857	9.92	514,391	147,786,900	73,893	81.33	17.27	14.27	3.00	91.5
	1906	8	60,141	11.17	671,571	185,480,000	92,740	82.7	16.7	13.81	2.89	115
	1907	8	47,357	10.23	484,816	146,045,500	73,023	85.1	17.9	15.06	2.84	73
	1908	8	62,302	10.38	647,085	179,780,000	89,890	83.2	17.66	13.89	3.77	88
	1909	10	83,000	10.63	882,084	254,544,000	127,272	83.62	17.61	14.43	3.18	102
	1910											
Average.....												
Colorado.....	1904	9	44,456	12.32	550,359	124,553,800	62,277	82.46	15.64	11.4	4.24	87.1
	1905	12	85,916	10.19	875,154	183,216,900	91,608	81.79	14.71	10.47	4.24	101.1
	1906	15	110,943	13.41	1,487,383	334,386,000	167,193	80.3	14.7	11.24	3.46	132
	1907	16	127,678	11.93	1,523,303	338,573,000	169,296	81.5	15.3	11.11	4.19	127
	1908	15	119,475	9.28	1,108,961	244,560,000	122,280	81.8	13.85	11.03	2.82	78
	1909	16	121,698	10.33	1,256,771	298,810,000	149,405	80.51	14.24	11.89	2.35	85
	1910											
Average.....												
Idaho.....	1904	3	7,700	9.81	75,500	17,595,300	8,798	83.52	14.88	12.0	2.88	48.3
	1905	3	16,800	8.63	145,000	31,000,000	15,500	84.3	14.47	10.69	3.78	47.7
	1906	4	19,950	11.48	229,023	56,798,000	28,399	86.8	16.9	12.40	4.50	95
	1907	4	25,938	9.41	244,080	75,928,200	37,964	88.3	17.8	15.55	2.25	88
	1908	4	20,989	9.80	205,657	52,300,000	26,150	86.9	15.84	12.72	3.12	78
	1909	3	15,434	10.60	163,557	39,988,000	19,994	86.17	15.98	12.22	3.76	83
	1910											
Average.....												
Michigan.....	1904	16	53,777	8.06	433,428	103,864,830	51,932	85.47	15.13	11.7	3.43	46.8
	1905	16	77,823	6.83	531,475	132,917,999	66,459	84.67	15.65	12.32	3.33	53.9
	1906	16	93,984	8.57	805,309	177,214,000	88,607	83.2	14.5	11.00	3.50	85
	1907	16	88,334	7.89	698,785	169,452,000	84,726	84.7	15.1	12.16	2.94	70
	1908	16	81,073	7.54	611,295	170,598,000	85,299	84.8	17.11	13.95	3.16	61
	1909	16	112,232	7.31	819,923	212,106,000	106,053	86.21	17.00	12.93	4.07	74
	1910											
Average.....												

[illegible]

EXHIBIT "PALMER No. 9."

German sugar industry.

[Compiled by Truman G. Palmer, from figures of Otto Licht.]

	1835-36	1886-87	1906-7
Acres in beets.....	3,250	692,222	1,110,457
Tons of beets harvested.....	25,346	8,306,671	14,171,666
Tons of beets per acre.....	7.7	11.88	12.73
Sugar extraction.....per cent..	5.55	12.18	15.69
Sugar produced.....metric tons..	1,408	1,012,968	2,223,521
Factories in operation.....	122	401	369
Tons of beets worked per factory.....	208	20,715	38,406
Sugar produced per factory.....tons..	11	2,526	6,026
Sugar exported.....do.....	2,230	663,266	1,098,835
Sugar imported.....do.....	51,527	4,570	3,117
Sugar consumed.....do.....	50,705	354,273	1,144,629
Sugar consumption per capita.....pounds..	4.4	16.54	41.18
Magdeburg price raw sugar per 100 pounds.....	\$9.49	\$4.22	\$1.97
Taxes and customs on sugar.....	\$3,710,129	\$8,069,760	\$33,980,880

	1855-56.	Per cent.
Increases 1887 to 1907:		
Acres in beets.....		60.4
Yield of beets per acre.....		7.1
Sugar extraction.....		28.9
Decline in price of sugar.....		53.3

EXHIBIT "PALMER No. 10."

[From Willett & Gray's Weekly Statistical Sugar Trade Journal, Feb. 27, 1902.]

THE GERMAN SUGAR SYNDICATES.

In Germany there are two sugar syndicates and one kartel:

- (1) The German sugar syndicate.
- (2) The syndicates of German sugar refiners.
- (3) The kartel, or "combination advantage."

(1) Consists of manufacturers of raw sugar from the beet, manufacturers of refined sugar direct from the beet, and the manufacturers of refined from the raw sugar.
(2) Consists of sugar refiners from raw sugar and refiners direct from the beet, and this syndicate (2) guarantees to the members of syndicate (1) a certain minimum price whenever the market price of raw sugar falls below a certain level.

This level, or normal price, is \$2.78 per 100 pounds. The guaranty does not extend below a market price of \$2.04 per 100 pounds. Below \$2.04 or above \$2.78 syndicate (1) gets nothing. At a market price of \$2.04 or below syndicate (1) gets the full difference between \$2.04 and \$2.78 per pound, or \$0.78 per 100 pounds.

Every month the members of syndicate (2) pay into syndicate (2) the amount due under arrangement (4), plus 10 per cent, which 10 per cent is to cover the expenses of conducting the kartel (3). The entire sum thus collected forms the combination advantage, or kartel (3).

In detail, every month the members of syndicate (2) pay into syndicate (2) the difference between \$2.78 per 100 pounds and the average monthly price of raw beet sugar in Magdeburg for the month on every pound of raw sugar delivered at their refineries and turned into refined and sold for consumption (but not for export) and plus 10 per cent on said amount.

Suppose the average market price for any month for raw sugar is \$2.31 per 100 pounds and a refiner produced 1,000,000 pounds refined and sold it for consumption in Germany, and produced 2,000,000 pounds refined for export to England or the United States, he would pay into his syndicate (2) the difference between \$2.31 per 100 pounds and \$2.78 per 100 pounds, say \$0.47 per 100 pounds, plus 10 per cent (for expenses of kartel), or say \$0.51 per 100 pounds on the 1,000,000 pounds consumed, but nothing on the 2,000,000 pounds exported.

Suppose the average price for the month at Magdeburg is \$2.04 or below, as at present, then the amount to be paid into syndicate (2) by its members is the difference between \$2.04 and \$2.78 per 100 pounds, plus 10 per cent, say total \$0.81 per 100 pounds on the 1,000,000 for consumption and nothing on the 2,000,000 for export.

Suppose the entire consumption for one year is one-third of the entire consumption and export combined, then the kartel would receive into its treasury one-third of \$0.81, or \$0.27 per 100 pounds on the entire amount of sugar sold by Germany during a crop year October 1 to September 30.

Syndicate (2) pays over to syndicate (1) the amount received into the kartel, less 10 per cent, say \$0.74 per 100 pounds at different times, always keeping a large reserve on hand for contingencies. The first year it paid out 50 per cent of its receipts, the second year 75 per cent, and the present year 100 per cent.

When syndicate (1) receives the money it distributes it to its members in proportion to the amount of production allowed them by the tax authorities (the Government controlling the output of each factory).

Suppose further that the average price for one year is \$2.04 per month or below, as now. In 1900-1901, 663,000 tons of refined sugar entered into consumption, the combination advantage or "kartel" amounting to \$0.81 per 100 pounds, is \$12,118,600, or without the 10 per cent, \$10,906,800.

The total consumption and export of sugar in Germany (1900-1901) was 1,668,000 tons. This would amount to a compensation to the producers of raw sugar of \$0.26 per 100 pounds on their entire production.

The average value in the Magdeburg market for the year being, say \$1.635 per 100 pounds, this would give them \$1.635 plus \$0.265, or \$1.90 per 100 pounds for all their raw sugar sold for consumption.

The present Magdeburg price of raw sugar is \$1.635 per 100 pounds, plus \$0.745 kartel, or \$2.37 per 100 pounds. The export price of raw sugar at Hamburg is \$1.47 per 100 pounds.

Thus, by receiving \$2.37 per 100 pounds for one-third of this production, he is able to sell two-thirds of his production for export at \$1.47 per 100 pounds, or an average price for all his production of \$1.52, plus \$0.265, or \$1.79 per 100 pounds. The export price being \$0.32 per 100 pounds less than his average selling prices and \$0.90 per 100 pounds less than his consumption selling price.

The refiner syndicate (2) is able to pay into the kartel the \$0.815 per 100 pounds because it pays \$1.635 per 100 pounds for raw sugar in Magdeburg market and \$0.815 into kartel and \$0.875 per 100 pounds for refining expenses and normal profits, and \$2.18 per 100 pounds consumption duty, a total cost of refined to him of \$5.50 per 100 pounds, for which he gets now in the Magdeburg market \$6.14 per 100 pounds, leaving him \$0.64 per 100 pounds as his profits resulting from the kartel, over and above his normal profits covered in expense of refining. The refiners obtain the kartel benefit of \$0.64 per 100 pounds on all refined sold for consumption which enables them to sell their surplus for export at \$1.81 per 100 pounds f. o. b. Hamburg.

If we add to the \$1.81 the export bounty of \$0.38 and the consumption duty of \$2.18, we have the price at which the refined would sell for consumption on the export price basis, say \$4.37 per 100 pounds, whereas the price for consumption is \$6.14 per 100 pounds, an artificial increase from kartel bounty of \$1.77 per 100 pounds. The refiner pays \$0.815 of this into the kartel and retains \$0.95 per 100 pounds for himself.

Or to put it another way, when the refiner exports granulated he can deduct from the \$5.50 per 100 pounds cost (including normal profits) the export bounty \$0.38, plus the consumption duty \$2.18 and the \$0.81 due the kartel, say \$3.38, leaving his cost \$2.12 per 100 pounds, while selling at \$1.81 per 100 pounds, an apparent loss of \$0.31 per 100 pounds, but while he loses \$0.31 per 100 pounds on his exports of refined during the crop of 1900-1901, say 550,000 tons, he makes \$0.64 per 100 pounds on his consumption sales of 768,000 tons refined, leaving him a total net profit of \$0.245 per 100 pounds on all his business.

Thus it appears that the raw-sugar manufacturer makes by the kartel \$0.265 per 100 pounds on all his production, and the refiner makes a profit of \$0.245 per 100 pounds on all he refines, both of these kartel profits being over and above the normal profits charged in the cost of manufacture.

Raw sugars are sold to the foreign buyer at \$1.47 per 100 pounds and to the home buyer at \$2.37 per 100 pounds.

Refined (granulated) is sold to the foreign buyer at \$1.81 per 100 pounds and to the home consumer at \$6.14 per 100 pounds. Granulated sugar in Germany, by the very latest expert calculations, costs to make \$2.50 per 100 pounds. The selling price for export is \$1.81 per 100 pounds. Adding \$0.38 for bounty and \$0.245 for kartel makes \$2.435 per 100 pounds, or just about its cost without profit.

Raw sugar in Germany costs to make \$1.875 to \$2 per 100 pounds. The selling price for export is \$1.47 per 100 pounds. Adding \$0.26 for bounty and \$0.27 for kartel makes \$1.995 per 100 pounds or just about its cost without profit.

The profits of both raw and refined sugars in Germany come from the sales for consumption.

EXHIBIT "PALMER No. 11."

SUGAR CONFERENCE AT BRUSSELS.

[Dispatch from the British delegates inclosing copy of the convention signed on Mar. 5, 1902.]

British delegates to sugar conference to the Marquess of Lansdowne.

BRUSSELS, March 6, 1902.

MY LORD: We have the honor to inclose a copy and translation of the convention relative to sugar, signed yesterday by the delegates of Great Britain, Germany, Austria-Hungary, Belgium, Spain, France, Italy, the Netherlands, and Sweden.

We have, etc.,

E. C. H. PHIPPS.
H. W. PRIMROSE.
H. G. BERGNE.
A. A. PEARSON.
E. C. OZANNE.

[Translation.]

His Majesty the German Emperor, King of Prussia, in the name of the German Empire; His Majesty the Emperor of Austria, King of Bohemia, etc., and Apostolic King of Hungary; His Majesty the King of Belgians; His Majesty the King of Spain, and, in his name, Her Majesty the Queen-Regent of the Kingdom; the President of the French Republic; His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India; His Majesty the King of Italy; Her Majesty the Queen of the Netherlands; His Majesty the King of Sweden and Norway.

Desiring, on the one hand, to equalize the conditions of the competition between beet and cane sugar from various countries, and, on the other hand, to promote the consumption of sugar, and considering that this twofold result can not be attained otherwise than by the abolition of bounties and by the limitation of the surtax, have resolved to conclude a convention to this effect, and have appointed as their plenipotentiaries the following:

His Majesty the German Emperor, King of Prussia, in the name of the German Empire; M. le Comte de Wallwitz, his envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the Belgians; M. de Koerner, director at the imperial foreign office; M. Kuhn, superior privy councillor, "conseiller rapporteur" at the imperial treasury.

His Majesty the Emperor of Austria, King of Bohemia, etc., and Apostolic King of Hungary; for Austria-Hungary: The Count Khevenhuller Metsch, his envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the Belgians.

For Austria: The Baron Jorkasch-kock, department chief at the imperial and royal ministry of finance.

For Hungary: M. de Tokpe, undersecretary of state at the royal Hungarian ministry of finance.

His Majesty the King of the Belgians; the Count de Smet de Naeyer, minister of finance and public works, prime minister; M. Capelle, envoy extraordinary and minister plenipotentiary, director general of the commercial and consular department at the foreign office; M. Kebers, director general of customs and excise at the ministry of finance and public works; M. de Smet, inspector general of direct taxes, customs, and excise at the ministry of finance and public works; M. Beauduin, member of the Chamber of Representatives, manufacturer.

His Majesty the King of Spain, and, in his name, Her Majesty the Queen Regent of the Kingdom; M. de Villa Urrutia, his envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the Belgians.

The President of the French Republic; M. Gerard, envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the Belgians; Mr. Bousquent, formerly councillor of state, honorary director general of customs; M. Delatour, councillor of state, director general of the "Caisse des Depots et Consignations"; M. Courtin, councillor of state, director general of indirect taxes at the ministry of finance.

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India; Mr. Constantine Phipps, C. B., his envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the Belgians; Sir Henry Primrose, K. C. B., C. S. I.; Sir Henry Bergne, K. C. M. G.; Mr. A. A. Pearson; Mr. E. C. Ozanne.

His Majesty the King of Italy; M. le Commandeur Romeo Cantagalli, his envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the

Belgians; M. le Commandeur Emile Maraini, member of the Italian Parliament, manufacturer.

Her Majesty the Queen of the Netherlands; M. le Jonkheer de Peestel, her envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the Belgians; M. le Baron J. d'Aulnis de Bourouill, doctor of law, professor at the University of Utrecht; M. G. Eschauzier, manufacturer at The Hague; M. A. van Rossum, manufacturer at Haarlem.

His Majesty the King of Sweden and Norway; for Sweden: the Count Wrangel, his envoy extraordinary and minister plenipotentiary at the court of His Majesty the King of the Belgians; M. Charles Tranchell, manufacturer;

Who, having exchanged their full powers, found in good and due form, have agreed on the following articles:

ARTICLE I.

The high contracting parties undertake to suppress, from the date of the coming into force of the present convention, the direct and indirect bounties by which the production or export of sugar might benefit, and not to establish bounties of such a kind during the whole duration of the convention. For the application of this provision, sugar products, such as preserves, chocolates, biscuits, condensed milk, and all other analogous products containing, in a notable proportion, sugar artificially incorporated, are assimilated to sugar.

The preceding paragraph applies to all advantages resulting directly or indirectly for the different categories of producers from the fiscal legislation of the States, including—

- (a) The direct bounties granted to exports.
- (b) The direct bounties granted to production.
- (c) Total or partial exemptions from taxation granted for a part of the manufactured output.
- (d) Advantages derived from excess of yield.
- (e) Advantages derived from the exaggeration of the drawback.
- (f) Advantages derived from any surtax in excess of the rate fixed by Article III.

ARTICLE II.

The high contracting parties engage to place in bond, under the permanent supervision, both by day and by night, of the revenue officers, sugar factories and sugar refineries, as well as factories for the extraction of sugar from molasses.

For this purpose, factories shall be so arranged as to give every guarantee against any surreptitious carrying away of sugar, and the said officers shall have power to enter all parts of the factories.

Controlling books shall be kept in connection with one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

ARTICLE III.

The high contracting parties undertake to limit the surtax to a maximum of 6 francs per 100 kilograms for refined sugar and assimilated sugars, and to a maximum of 5 francs 50 centimes for other sugars. The surtax is the difference between the rate of duty or taxation to which foreign sugars are subject and that imposed on the home product.

The provisions of this article do not apply to the rates of import duty in the case of countries that do not produce sugar, nor do they apply to the by-products of sugar manufacture and refining.

ARTICLE IV.

The high contracting parties agree to impose a special duty on the importation into their respective territories of sugars from countries that grant bounties either on production or export.

This duty shall not be less than the amount of the bounties, direct or indirect, granted in the country of origin. The high contracting parties reserve to themselves, as far as each of them is concerned, the option to prohibit the importation of bountied sugars.

In order to calculate the amount of the advantage eventually derived from the surtax specified in paragraph (f) of Article I, the figure fixed by Article III is deducted from the amount of this surtax; the half of the difference is considered to represent the bounty, and the permanent commission instituted by Article VII will have the right, on the demand of a contracting party, to revise the figure thus fixed.

ARTICLE V.

The high contracting parties mutually undertake to admit at the lowest rate of import duty sugars of any of the contracting countries or of any colonies or possessions belonging to them that do not grant bounties and to which the obligations imposed by Article VIII apply.

Cane and beet sugars shall not be subjected to different rates of duty.

ARTICLE VI.

Spain, Italy, and Sweden are exempt from the obligations imposed by Articles I, II, and III, so long as they do not export sugar.

These States engage to adapt their legislation in the matter of sugar to the provisions of the convention within a year—or earlier if possible—from the time when the permanent commission notified that the above-mentioned condition has ceased to exist.

ARTICLE VII.

The high contracting parties agree to establish a permanent commission charged with watching the execution of the provisions of the present convention.

This commission shall be composed of delegates of the different contracting powers, a permanent bureau will be connected with it. The commission will elect its president; it will sit at Brussels, and will assemble at the summons of the president.

The duties of the delegates will be:

(a) To ascertain whether in the contracting States any direct or indirect bounty is granted on the production or export of sugars.

(b) To ascertain whether the States referred to in Article VI continue to conform to the special condition laid down in that article.

(c) To ascertain whether any bounties exist in the nonsignatory States and to estimate the amount for the purpose of Article IV.

(d) To pronounce an opinion on contested points.

(e) To consider requests for admission to the union made by States not having taken part in the present convention.

The permanent bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not only in contracting countries, but in all other countries as well.

In order to insure the execution of the preceding provisions the high contracting parties shall transmit through the diplomatic channel to the Belgian Government, which shall forward them to the commission, the laws, orders, and regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present convention.

Each of the high contracting parties may be represented on the commission by a delegate, or by a delegate and assistant delegates.

Austria and Hungary shall be considered separately as contracting parties.

The first meeting of the commission shall be held in Brussels, under the auspices of the Belgian Government, at least three months before the coming into force of the present convention.

The commission shall have only the duty of examination and report. It shall draw up a report on all questions submitted to it and forward the same to the Belgian Government, which shall communicate it to the powers interested, and, at the request of any one of the high contracting parties, shall convoke a conference, which shall take such decisions or measures as circumstances demand.

The examinations and valuations referred to in paragraphs (b) and (e) will, however, be binding on the contracting powers; they will be determined by a majority vote—each contracting party having one vote—and they will take effect in two months' time at the latest. Should one of the contracting parties consider it necessary to appeal against a decision of the commission, the said party must, within eight days of the receipt of the said decision, require a fresh meeting of the commission, which will hold a special meeting and will pronounce its final decision within one month of the date of appeal. The new decision shall take effect, at latest, within two months of its promulgation. The same course will be followed with regard to the consideration of demands for admission provided for in paragraph (e).

The expenses incurred on account of the establishment and working of the permanent bureau and of the commission, excepting the salaries or expenses of the delegates—who will be paid by their respective countries—shall be borne by all the contracting States, and shall be divided among them in a manner to be determined by the commission.

ARTICLE VIII.

The high contracting parties undertake for themselves and for their colonies or possessions, an exception being made in the case of the self-governing colonies of Great Britain and the British East Indies, to take the necessary measures to prevent bounty-fed sugars which have passed in transit through a contracting country from enjoying the advantages of the convention on the market to which it is being forwarded. The permanent commission will make the necessary proposals with regard to this provision.

ARTICLE IX.

States which are not parties to the present convention will be admitted to adhere to it at their request and after approval by the permanent commission.

The request shall be addressed through the diplomatic channel to the Belgian Government, who will undertake, should occasion arise, to notify the adhesion to all the other governments. It will entail agreement to all the charges and admission to all the advantages stipulated by the present convention, and will produce its effects from the first September following the dispatch of the notification by the Belgian Government to the other contracting States.

ARTICLE X.

The present convention will come into force on the 1st September, 1903.

It will remain in force for five years from that date, and in the case of any of the high contracting parties not having notified twelve months before the expiration of the said period of five years its intention of ceasing to abide by it, it will continue to remain in force for a year, and so on from year to year.

In the event of one of the contracting parties denouncing the convention, such denunciation will only have effect on the party in question; the other parties will retain, until the 31st of October of the year in which the denunciation is made, the right of notifying their intention of withdrawing on the 1st September of the succeeding year. If one of these latter powers desires to withdraw, the Belgian Government will summon a conference at Brussels within three months to decide upon the course to be taken.

ARTICLE XI.

The provisions of the present convention will apply to the oversea provinces, colonies, and foreign possessions of the high contracting parties. The British and Dutch colonies and possessions are excepted, save as regards the provisions forming the subject of Articles V and VIII.

The position of the British and Dutch colonies and possessions is, moreover, regulated by the declarations inserted in the final protocol.

ARTICLE XII.

The fulfillment of the mutual engagements contained in the present convention is subordinated as far as it is necessary to the completion of the formalities and requirements established by the constitutional laws of each of the contracting parties.

The present convention shall be ratified and the ratifications shall be deposited at the ministry of foreign affairs at Brussels on the 1st February, 1903, or earlier if possible.

It is agreed that the present convention shall only become binding if it is ratified at least by those of the contracting powers who are not included in the exceptional provision of Article VI. Should one or several of these powers not have deposited their ratifications by the date mentioned, the Belgium Government shall immediately take steps to obtain a decision on the part of the other signatory powers as to whether the present convention shall come into force among themselves.

In faith whereof the respective plenipotentiaries have signed the present convention.

Done at Brussels, in single copy, March 5, 1902.

(Signatures of the plenipotentiaries follow.)

FINAL PROTOCOL.

In proceeding to the signature of the sugar convention concluded this day between the Governments of Germany, Austria-Hungary, Belgium, Spain, France, Great Britain, Italy, the Netherlands, and Sweden, the undersigned plenipotentiaries have agreed as follows:

As regards Article III:

Considering that the object of the surtax is the efficacious protection of the market of each producing country, the high contracting parties reserve to themselves the right each one as concerns itself, to propose an increase of the surtax, should considerable quantities of sugar from one of the contracting States find their way into their territories. This increase would only apply to sugars coming from that State.

Such a proposal must be addressed to the permanent commission, which will decide as quickly as possible by a majority vote whether there is good ground for the proposed measure; as to the period for which it shall be enforced; and as to the extent of the increase; the latter shall not exceed 1 franc per 100 kilograms.

The assent of the commission shall only be given when the invasion of the market in question is the consequence of an actual economic inferiority and not the result of a factitious increase in price brought about by an agreement between producers.

As regards Article XI:

(A) 1. The Government of Great Britain declares that no bounty, direct or indirect, shall be granted to sugars of the Crown colonies during the duration of the convention.

2. It also declares, as an exceptional measure, and reserving in principle entire liberty of action as regards the fiscal relations between the United Kingdom and its colonies and possessions, that during the duration of the convention no preference will be granted in the United Kingdom to colonial sugars as against sugars from any of the contracting States.

3. It finally declares that the convention shall, by its intermediary, be submitted to the self-governing colonies and to the East Indies, so that they may have an opportunity of giving their adhesion to it.

It is understood that the Government of His Britannic Majesty has the power to adhere to the convention on behalf of the Crown colonies.

(B) The Government of the Netherlands declares that during the duration of the convention no bounty, direct or indirect, shall be granted to sugars from the Dutch colonies and that such sugars shall not be admitted into the Netherlands at a lower tariff than that applied to sugars from any of the contracting States.

The present final protocol, which will be ratified at the same time as the convention concluded this day, will be regarded as forming an integral part of the convention and will have the same force, value, and duration.

In faith whereof the undersigned plenipotentiaries have drawn up the present protocol.

Done at Brussels, the 5th March, 1902.

(Signatures of the plenipotentiaries follow.)

EXHIBIT "PALMER No. 12."

Equivalent ad valorem rates of duty collected on United States dutiable sugar imports.

[From Foreign Commerce and Navigation.]

	Per cent.		Per cent.
1900.....	73. 68	1906.....	61. 43
1901.....	70. 83	1907.....	65. 49
1902.....	87. 54	1908.....	60. 36
1903.....	97. 53	1909.....	60. 80
1904.....	75. 35	1910.....	52. 78
1905.....	56. 65		

EXHIBIT "PALMER No. 13."

REPORT OF THE INDUSTRIAL COMMISSION, VOLUME 1, PAGES 150-151.

[From testimony of Mr. James H. Post, given in Washington, D. C., June 16, 1899.]

THE COST OF REFINING SUGAR.

Q. Can you give us an opinion with reference to the cost of refining sugar?—A. I know in a general way, although I do not claim to be an expert on that matter. I notice it has been stated here twice at least that it varies from one-half to six-tenths of a cent.

Q. Is your opinion similar to that?—A. Yes; I had the general manager of one of our refineries figure it out for me. I supposed that question would be asked, and I asked him to put it down on paper. I will have to read it.

Q. May I ask you who gave you this statement?—A. George R. Bunker, general manager of the National Sugar Refining Co.

Centrifugal sugars contain of—	
Pure sugar, about.....per cent..	96
Impurities, about.....do....	3
Water, about.....do....	1
	<hr/>
	100
The loss in refining is about, of sugar.....do....	1
Leaving of pure sugar available.....do....	95
Of this we get of—	
Granulated and yellow sugars, equal to.....pounds..	92½
Sirup.....do....	2½
The sugar is combined with an equal weight of impurities, making about, pounds.....	5
	<hr/>
Taking value of granulated at 5.375 cents gross or 5.08 cents net and sirup at 2 cents per pound, we have equal to—	
92½ pounds granulated, at 5.08 cents.....	\$4. 699
2½ pounds sugar in sirup, at 4 cents.....	. 10
	<hr/>
	4. 799
Less.....	. 348
	<hr/>
	4. 451
	<hr/>
Expenses to be deducted:	
Brokerage, about ½ per cent.....	} . 04799
Government revenue tax, ¼ per cent.....	
Office expenses, ¼ per cent.....	. 10
Packages.....	} . 20
Wages, fuel, bone black.....	
Repairs and sundries.....	
	<hr/>
	. 348
	<hr/>
Granulated, say.....	5. 08
Results.....	4. 45
	<hr/>
Cost, say.....	. 63

Q. Will you be kind enough to read the statement?—A. They take 96 test centrifugal sugar as a basis, and they figure that there is 3 per cent impurities and 1 per cent water in that, taking 100 pounds as a basis. The loss in refining is about 1 per cent, which would make the pure sugar obtained 95 per cent. By this they figure for convenience that it is equivalent to 92½ pounds of granulated sugar, including the yellows; figuring on a basis of pure granulated sugar. They figure that the sirup would be equivalent to 2½ pounds of sugar in the sirup; that is, combined with impurities, making about 5 pounds of sirup altogether. For the purpose of this calculation they take the sirup as worth 2 cents per pound; that is, the sugar in it is worth 4 cents per pound. Taking the value of granulated sugar, when this was made up, granulated at 5½ would be 5.375, or 5.08 net for granulated sugar, and the sugar in the sirup at 4 cents per pound, would give 92½ pounds of granulated sugar at 5.08, which equals 4.699; 2½ pounds of sugar in the sirup, at 4 cents would be 0.10, making 4.799. The expense to be deducted is brokerage, etc., 0.5 per cent, the Government revenue tax, one-fourth per cent (you know there is a special internal-revenue tax on gross sales of sugar), office expenses, one-fourth per cent (all packages cost about 10 cents per 100, say one-tenth of a cent for that), wages, fuel, bone black, repairs, and sundries, about 20 cents per 100, making the net result 4.45, as against 5.08 for the granulated, showing a difference of 0.63 of a cent per pound.

EXHIBIT "PALMER No. 14."

AMERICAN INDUSTRY AS AFFECTED BY SUGAR REFINING VERSUS SUGAR PRODUCTION.

[Compiled by Truman G. Palmer.]

The difference in the magnitude of the benefits accruing to American industry and labor as between sugar refining and sugar production, is even more marked than that between stock raising and slaughtering stock, between fruit raising and canning fruit, or between grain raising and milling the grain. As well say to Canada, we will be satisfied to have you grow our grain, if we but mill it, or produce our stock, if we but slaughter it, as to be satisfied to have foreign countries produce our sugar, if we but refine it. As well allow foreign countries to provide us with imported confectionery, if only we be allowed to put it up in fancy gilt boxes, as to provide us with foreign raw sugar to be refined.

The difference in results accruing to American industry by refining and by production is shown by the following figures:

Amount of sugar refined in the United States in 1910.

[Not including 13,648 tons by Hawaiian cane factories and 815 tons by foreign refiners.]

	Long tons.	Short tons.
By American Sugar Refining Co.....	1,383,386	1,549,392
By Independent refiners.....	1,428,050	1,599,426
By beet sugar factories.....	457,000	511,840

Amount accruing to American industry in 1910.

Through refining 1,549,392 tons at \$6.48 per ton (American Sugar Refining Co.).....	\$10,040,060
Through refining 1,599,426 tons at \$6.48 per ton (Independents).....	10,364,280
Total from refining 3,148,818 tons of imported raw sugar.....	20,404,340
Through producing 511,840 tons of sugar from American-grown beets, at 3.75 cents per pound, or \$75 per ton.....	38,388,000

If all were imported, or if all were home produced.

Total to American industry by refining 3,660,658 tons of imported raw sugar.....	\$22,842,505
Total to American industry by producing 3,660,658 tons of sugar from American-grown beets	274,547,350

BASIS OF ABOVE CALCULATION.

On quantity of sugar refined and consumed: Willett & Gray of January 5, 1911, p. 2.

On cost of producing beet sugar: Witnesses appearing before the Hardwick committee, averaged at 3.75 cents per pound.

On cost of refining sugar: In his testimony before the Industrial Commission, June 19, 1899 (p. 150), Mr. James H. Post, president of the National Sugar Refining Co., submitted a statement concerning the cost of refining sugar. Mr. Post figures the cost of refining 96° raw sugar at 63 cents per 100 pounds, including the loss of four pounds of impurities and water, loss of one pound of sugar in the process, and the partial loss of 2½ more pounds going into sirup. These losses contribute nothing to American industry. The expenses in refining, which accrue to American industry, as given by Mr Post, are as follows: Wages, fuel, boneblack, bags and barrels, repairs, sundries, office expenses, and brokerage, amounting to 32.4 cents per 100 pounds, or \$6.48 per short ton. Confirmation of these figures was furnished in 1907 by Mr. Charles Lyle, chairman of Messrs. Abram Lyle & Sons (Ltd.), sugar refiners, of 21 Mincing Lane, London, and West Ham, England, in the report of the British Tariff Commission, volume 7, sugar and confectionery, paragraphs 117 and 120, where he gives £1 10s. per long ton, equal to 32.5 cents per 100 pounds, or \$6.50 per short ton.

Lyle says: "The loss (to the United Kingdom by reason of losing their sugar-refining industry) can be reckoned by considering that the cost of refining sugar is about £1 10s. per ton, almost all of which (indeed all of it if we except the cost of raw jute which comes from India and timber for packages) is spent in this country. We are therefore losing in round figures £1,500,000 per annum. * * * Of this amount 20 to 25 per cent is for labor and another 15 per cent must be set down for coals. Jute is also a large cost in the item of refining. Our local taxation is a very heavy item, we in West Ham paying 10s. in the pound, and this on a very high assessment of machinery, which is also rated."

EXHIBIT "PALMER No. 15."

FREE SUGAR.

The vestigators of a movement to reduce the United States duties on imported sugar make the erroneous claim that free sugar would save the American people \$150,000,000 a year.

The following table shows to what extent the American people would be directly affected by free sugar, but does not take into consideration the loss by reason of ruining the home beet and cane sugar industries.

The figures show the average wholesale prices of London and Hamburg for the calendar year 1910, as quoted in C. Czarnikow's Weekly London Price Current.

The Hamburg quotations are export prices, while the London quotations are for domestic consumption and include the United Kingdom import duty of 39.3 cents per 100 pounds. London export prices are the domestic price, less the duty, which has been deducted.

New York quotations are the quotations for standard hard granulated sugar and are 20 cents per 100 pounds above the quotations for soft granulated.

"Tate's cubes," Lyle's granulated No. 1," and "Foreign cubes" are the only sugars quoted which correspond in excellence with United States standard granulated, and hence are the only sugars which can be used as a basis of comparison between foreign and American prices.

"Yellow crystals" are a high-grade unrefined sugar, and these sugars and "First-marks" would not find a market on American tables.

	Foreign prices of sugar per 100 pounds.	Cost, including freight and insurance of 12 cents, to New York.	Less United Kingdom duty of 39.3 cents per 100 pounds.	Difference between New York price of \$4.972 and foreign price per 100 pounds.	Difference per long ton.	Difference on United States 1910 consumption of 3,282,938 tons.	Net difference after deducting duty of \$51,771,142 collected on United States 1910 importations.
Tate's cubes:							
No. 1, London.....	\$4.594	\$4.714	\$4.321	\$0.651	\$14.58	\$47,865,236	\$3,905,906
No. 2, London.....	4.448	4.568	4.175	.797	17.85	58,600,443	6,829,301
Lyle's granulated:							
No. 1, London.....	4.238	4.358	3.965	1.007	22.55	74,030,251	22,259,109
No. 2, London.....	4.023	4.143	3.750	1.222	27.37	89,854,013	38,082,871
Yellow crystals, London....	3.821	3.941	3.548	1.424	31.80	104,692,892	52,921,750
Foreign cubes, Hamburg....	3.687	3.807	3.807	1.165	26.09	85,651,852	33,880,710
"First-marks," Hamburg...	3.223	3.343	3.343	1.629	36.48	119,761,578	67,990,436

¹ Difference on United States 1910 consumption was less than the amount of duty collected by \$3,905,906.

Wholesale prices of sugar in London and Hamburg, weekly, for 1910—Also London parity of Hamburg prices of "First Marks" and "foreign cubes," obtained by adding United Kingdom duty of 1s. 10d., 6½d. freight, insurance, and bank commission.

[Compiled by Truman G. Palmer, from C. Czarnikow's Weekly Price Current.]

Year.	Tate's cubes.		Lyle's granu- lated.		Yellow crys- tals.	Foreign cubes.		"First Marks."	
	No. 1.	No. 2.	No. 1.	No. 2.		F. o. b. Ham- burg.	Laid down in Lon- don, in- cluding duty, in- sur- ance, bank com- mis- sion.	F. o. b. Ham- burg.	Laid down in Lon- don, in- cluding duty, in- sur- ance, bank com- mis- sion.
1910.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Jan. 6.....	21 1½	20 3	19 1½	18 1½	17 3	16 9	19 1½	14 7½	17 0½
13.....	21 7½	20 9	19 4½	18 4½	17 6	17 0	19 4½	15 0½	17 5½
20.....	21 6	20 7½	19 3	18 3	17 4½	16 9½	19 2½	14 9½	17 2½
27.....	21 6	20 6	19 3	18 3	17 4½	16 10½	19 3½	15 0	17 4½
Feb. 3.....	21 6	20 6	19 4½	18 4½	17 6	16 10½	19 3½	15 2½	17 7
10.....	21 6	20 6	19 4½	18 4½	17 6	16 9½	19 2½	15 1½	17 6½
17.....	21 9	20 9	19 7½	18 7½	17 9	17 0½	19 5½	15 5½	17 10
24.....	22 3	21 3	20 0	19 0	18 1½	17 10½	20 3½	16 0	18 4½
Mar. 3.....	22 9	21 9	20 7½	19 7½	18 9	18 6	20 10½	16 4½	18 9½
10.....	23 3	22 3	20 10½	19 10½	19 0	18 4½	20 9½	16 4½	18 9½
17.....	23 3	22 3	20 10½	19 10½	19 0	18 6	20 10½	16 5½	18 10
24.....	23 3	22 3	21 0	20 0	19 1½	18 7½	21 0½	16 7½	19 0½
31.....	23 4½	22 4½	21 1½	20 1½	19 3	18 9	21 1½	16 9	19 1½
Apr. 7.....	23 4½	22 4½	21 3	20 3	19 4½	18 10½	21 3½	16 10½	19 3½
14.....	23 1½	22 1½	21 0	20 0	19 1½	18 6	20 10½	16 6	18 10½
21.....	22 10½	21 10½	21 0	20 0	19 1½	18 7½	21 0½	16 7½	19 0½
28.....	22 10½	22 1½	21 1½	20 1½	19 3	18 7½	21 0½	16 9	19 1½
May 5.....	23 1½	22 4½	21 6	20 6	19 7½	19 0	21 4½	17 0	19 4½
12.....	23 3	22 6	21 7½	20 7½	19 9	19 3	21 7½	17 0½	19 5½
19.....	23 3	22 6	21 7½	20 7½	19 9	19 1½	21 6½	17 1½	19 6½
26.....	23 6	22 9	22 0	21 0	20 1½	19 3½	21 8½	17 3	19 7½
June 2.....	23 3	22 6	21 9	20 9	19 10½	19 1½	21 6½	16 9½	19 2½
9.....	23 0	22 3	21 6	20 6	19 7½	19 0	21 4½	16 10½	19 3½
16.....	22 9	22 0	21 3	20 3	19 4½	18 9	21 1½	16 6½	18 11½
23.....	22 9	22 0	21 1½	20 1½	19 3	18 9	21 1½	16 9½	19 2½
30.....	22 9	22 0	21 4½	20 4½	19 6	19 0	21 4½	16 9½	19 2½
July 7.....	22 9	22 0	21 4½	20 4½	19 6	19 0	21 4½	16 11½	19 4
14.....	22 9	22 0	21 3	20 3	19 4½	18 7½	21 0½	16 9½	19 1
21.....	22 9	22 0	21 3	20 3	19 4½	18 10½	21 3½	16 9½	19 2½
28.....	22 9	22 3	21 4½	20 4½	19 6	19 0	21 4½	16 10½	19 3½
Aug. 4.....	22 9	22 3	21 6	20 6	19 7½	19 0	21 4½	16 11½	19 4
11.....	23 0	22 6	22 0	21 0	19 6	19 3	21 7½	17 3	19 7½
18.....	23 0	22 6	22 0	21 0	19 6	19 3	21 7½	17 5½	19 10
25.....	23 0	22 6	21 9	20 9	19 6	19 6	21 10½	17 3	19 7½
Sept. 1.....	22 6	22 0	21 3	20 3	19 3	19 2	21 6½	16 6	18 10½
8.....	22 6	22 0	21 0	20 0	19 0	18 9	21 1½	16 3	18 7½
15.....	22 0	21 6	20 0	19 0	18 0	17 9	20 1½	15 6	17 10½
22.....	21 6	21 0	19 9	18 9	17 9	17 7½	20 0½	14 6½	16 11½
29.....	21 0	20 6	19 0	18 0	17 0	16 9	19 1½	13 9	16 1½
Oct. 6.....	20 0	19 6	18 0	17 0	16 0	15 6	17 10½	12 3½	14 8½
13.....	19 6	19 0	18 0	17 0	16 0	15 0	17 4½	12 0	14 4½
20.....	19 0	18 6	18 0	17 0	16 0	14 6	16 10½	11 7½	14 0½
27.....	18 6	18 0	16 9	15 9	14 9	13 3½	15 8½	11 1½	13 6½
Nov. 3.....	17 9	17 3	16 3	15 3	14 3	13 2½	15 7½	11 2½	13 7
10.....	17 9	17 3	16 3	15 3	14 3	13 3	15 7½	11 3	13 7½
17.....	17 9	17 3	16 3	15 3	14 3	13 3	15 7½	11 3	13 7½
24.....	17 9	17 3	16 3	15 3	14 3	13 3	15 7½	11 3	13 7½
Dec. 1.....	17 6	17 0	16 3	15 3	14 3	13 3	15 7½	11 3	13 7½
8.....	17 6	17 0	16 3	15 3	14 3	13 3	15 7½	11 2½	13 7
15.....	17 6	17 0	16 3	15 3	14 3	13 1½	15 6½	11 1½	13 6½
22.....	17 6	17 0	16 3	15 3	14 3	13 0	15 4½	10 11½	13 4
29.....	17 3	16 9	16 0	15 0	14 0	13 0	15 4½	11 0	13 4½
Averages in s. and d. (112u) ..	21 5.3	20 9.1	19 9.3	18 9.3	17 10	17 2.5	19 7	15 .05	17 5.5
Averages in United States currency (112 u)	\$5.146	\$4.982	\$4.746	\$4.506	\$4.28	\$4.13	\$4.70	\$3.61	\$4.19
Averages in United States currency (100 u)	\$4.594	\$4.448	\$4.238	\$4.023	\$3.821	\$3.687	\$4.196	\$3.223	\$3.74

EXHIBIT "PALMER, No. 16."

COST OF PROTECTING UNITED STATES SUGAR INDUSTRY AND APPORTIONMENT OF BENEFITS.

[Compiled by Truman G. Palmer, from quotations by Willett & Gray, New York, and C. Czarinkow, London.]

Calendar year 1910.

BASIS.

1910 average New York price, standard granulated...per 100 pounds..	\$4. 972
1910 average London price, Lyle's granulated No. 1.....do....	\$4. 238
New York price above London price.....do....	\$. 734
Maximum United Kingdom duty (1s. 10d. per hundredweight)...do....	\$. 393
Freight: London to New York, 9 cents; insurance and bank commission, 3 cents.....per 100 pounds..	\$. 12
United Kingdom export price is United Kingdom wholesale price (\$4.238) less United Kingdom import duty of 39.3 cents, or.....per 100 pounds..	\$3. 845
To United Kingdom export price of \$3.845 add 12 cents for freight, insurance, and bank commission, making price laid down in New York.....per 100 pounds..	\$3. 965
Total chargeable to United States tariff, \$4.972, less \$3.965, or...do....	\$1. 007
\$1.007 per 100 pounds equals.....per long ton..	\$22. 55
Total United States consumption in 1910.....long tons..	3, 282, 938
3,282,938 tons at \$22.55 equals.....	\$74, 030, 251

Sugar duties collected, fiscal year 1910.

Dutiable sugar imports, fiscal year 1910.....pounds..	3, 912, 567, 785
Equal to.....long tons..	1, 746, 667
Total duty collected, fiscal year 1910.....	\$52, 810, 995
Duty collected, per long ton, \$30.23, or.....per 100 pounds..	\$1. 349

Estimated duties for calendar year 1910.

Dutiable sugar imports, calendar year 1910.....long tons..	1, 712, 575
Estimated duty collected, calendar year 1910, at \$30.23 per ton....	\$51, 771, 142
Deduct from.....	\$74, 030, 251
Estimated amount of duty collected on 1,712,575 tons.....	\$51, 771, 142
Leaving chargeable to protection.....	\$22, 259, 109

Application of protection on refined sugar.

American Sugar Refining Co., 1,383,386 tons at 7½ cents per 100 or \$1.68 per ton.....	\$2, 324, 088
Independent refining companies, 1,428,059 tons at 7½ cents per 100 or \$1.68 per ton.....	2, 399, 139
Beet-sugar companies, 457,000 tons at 7½ cents per 100 or \$1.68 per ton.	767, 760
Hawaiian cane factories, 13,648 tons at 7½ cents per 100 or \$1.68 per ton.	22, 928
Total chargeable to refining.....	5, 513, 915
From \$22,259,109, deduct \$5,513,915, leaving as chargeable to raw-sugar production.....	16, 745, 194

Dividing \$16,745,194 by total domestic and insular production of 1,637,780 tons, gives \$10,224 per ton, or 45.6 cents per 100 pounds.

Application of protection on domestic and insular production of raw sugar.

	Domestic sugar (at \$10.224 per ton).	
	Tons.	Value.
Domestic beet.....	457,000	\$4,672,368
Louisiana and Texas cane.....	333,006	3,404,653
Molasses sugar.....	9,200	94,060
Maple sugar.....	6,000	61,344
Total domestic.....	805,206	8,232,425
	Insular sugar (at \$10.224 per ton).	
	Tons.	Value.
Hawaii.....	459,128	\$4,694,124
Porto Rico.....	276,788	2,829,880
Philippines.....	96,658	988,231
Total insular.....	832,574	8,512,235

Summary.

Seaboard refiners.....	\$4,723,227
Domestic production:	
Beet, refined	\$767,760
Beet, raw	4,672,368
Louisiana and Texas.....	3,404,653
Molasses.....	94,060
Maple.....	61,344
	9,000,185
Insular production:	
Hawaii, refined	22,928
Hawaii, raw	4,694,124
Porto Rico.....	2,829,880
Philippines.....	988,231
	8,535,163
Total of all.....	22,258,575

FINAL ANALYSIS.

The total consumption of sugar in the United States amounts to 81.6 pounds per capita per annum. Of this amount 53.7 pounds, or two-thirds, is purchased by the consumer, while the other third enters into manufactures of other products, the retail prices of which would not be reduced if sugar were on the free list.

Taking the above-mentioned fact into consideration, the ultimate consumer in the United States pays but two-thirds of the \$74,030,251 excess price of sugar caused by reason of the import duty on that product, or \$49,353,501 per annum. By abolishing the duty on sugar the Federal Treasury would lose \$51,771,142 in customs revenues, which amount the ultimate consumer would be compelled to make up in increased duties on other products or through some other form of taxation.

Hence, in the final analysis, to save \$49,353,501 in the cost of his sugar, it would cost the ultimate consumer \$51,771,142 in loss of revenue, or a net loss of \$2,417,641 a year, besides ruining our domestic and insular sugar industries, in which several hundred million dollars have been invested, and instead of turning \$291,590,000 a year into the pockets of American farmers and American laborers to produce this necessary article of diet, which we are perfectly capable of producing at home, send that vast amount of money to foreign countries to enrich their farmers and laborers and capitalists. To pay \$2,500,000 a year for the privilege of depleting our national

resources nearly \$300,000,000 a year surely would be a most astonishing object lesson in national economy.

[Prices were copied from Willett & Gray's Statisticals.]

		Granulated (net cash).	First marks German granulated, New York, duty paid, without bounty (net cash).	First marks Ger- man granulated as basis.	
				Differ- ence.	Average.
1910.					
Jan.	6.....	4.80	5.22	-0.42	-0.40
	13.....	4.90	5.32	- .42	
	20.....	4.90	5.26	- .36	
	27.....	4.90	5.30	- .40	
Feb.	3.....	4.90	5.33	- .43	- .46
	10.....	4.90	5.33	- .43	
	17.....	4.90	5.38	- .48	
	24.....	5.00	5.50	- .50	
Mar.	3.....	5.10	5.61	- .51	- .474
	10.....	5.20	5.61	- .41	
	17.....	5.20	5.63	- .43	
	23.....	5.20	5.63	- .43	
	31.....	5.10	5.60	- .50	
Apr.	7.....	5.10	5.70	- .60	- .585
	14.....	5.05	5.62	- .57	
	21.....	5.10	5.68	- .58	
	28.....	5.10	5.60	- .50	
May	5.....	5.10	5.72	- .62	- .5875
	12.....	5.20	5.76	- .56	
	19.....	5.20	5.77	- .57	
	26.....	5.20	5.80	- .60	
June	2.....	4.95	5.72	- .77	- .646
	9.....	5.10	5.72	- .62	
	16.....	5.10	5.63	- .53	
	23.....	5.10	5.72	- .62	
	30.....	5.00	5.60	- .60	- .6325
July	7.....	5.05	5.72	- .67	
	14.....	5.05	5.60	- .64	
	21.....	5.10	5.70	- .60	
	28.....	5.10	5.72	- .62	- .6725
Aug.	4.....	5.05	5.72	- .67	
	11.....	5.10	5.77	- .67	
	18.....	5.10	5.84	- .74	
	25.....	5.20	5.81	- .61	- .35
Sept.	1.....	5.20	5.63	- .43	
	8.....	5.00	5.61	- .61	
	15.....	5.00	5.44	- .44	
	22.....	5.00	5.22	- .22	+ .2225
	29.....	5.00	5.05	- .05	
Oct.	6.....	4.95	4.72	+ .23	
	13.....	4.85	4.64	+ .21	
	20.....	4.75	4.56	+ .19	+ .0875
	27.....	4.70	4.44	+ .26	
Nov.	3.....	4.55	4.47	+ .08	
	10.....	4.55	4.46	+ .09	
	17.....	4.55	4.46	+ .09	+ .276
	23.....	4.55	4.46	+ .09	
Dec.	1.....	4.55	4.47	+ .08	
	8.....	4.75	4.44	+ .31	
	15.....	4.75	4.44	+ .31	
	22.....	4.75	4.40	+ .35	
	29.....	4.75	4.42	+ .33	
Averages.....		4.966	5.314	- .348	

		Granulated (net cash).	First marks German granulated, New York, duty paid, without bounty (net cash).	First marks Ger- man granulated as basis.	
				Differ- ence.	Average.
1909.					
Jan.	7.....	4.45	4.73	— .28	} — .2525
	14.....	4.50	4.72	— .22	
	21.....	4.50	4.74	— .24	
	28.....	4.50	4.77	— .27	
Feb.	4.....	4.50	4.74	— .24	} — .33
	10.....	4.50	4.74	— .24	
	18.....	4.30	4.77	— .47	
	25.....	4.40	4.77	— .37	
Mar.	4.....	4.45	4.77	— .32	} — .1775
	11.....	4.55	4.78	— .23	
	18.....	4.70	4.80	— .10	
	25.....	4.70	4.76	— .06	
Apr.	1.....	4.80	4.73	+ .07	} + .086
	7.....	4.80	4.72	+ .08	
	15.....	4.80	4.81	— .01	
	22.....	4.80	4.78	+ .02	
May	29.....	4.90	4.73	+ .17	} + .015
	6.....	4.90	4.70	+ .20	
	13.....	4.75	4.78	— .03	
	20.....	4.70	4.78	— .08	
June	27.....	4.80	4.83	— .03	} — .1125
	3.....	4.80	4.84	— .04	
	10.....	4.60	4.83	— .23	
	17.....	4.70	4.80	— .10	
July	24.....	4.75	4.83	— .08	} — .08
	1.....	4.70	4.80	— .10	
	8.....	4.70	4.78	— .08	
	15.....	4.70	4.80	— .10	
Aug.	22.....	4.70	4.78	— .08	} — .1525
	29.....	4.80	4.84	— .04	
	5.....	4.80	4.90	— .10	
	12.....	4.80	4.97	— .17	
Sept.	19.....	4.80	5.03	— .23	} — .138
	26.....	4.90	5.01	— .11	
	2.....	4.90	5.03	— .13	
	9.....	4.90	5.05	— .15	
Oct.	16.....	5.00	5.05	— .05	} — .0825
	23.....	4.85	5.03	— .18	
	30.....	4.85	5.03	— .18	
	7.....	4.85	4.97	— .12	
Nov.	14.....	4.90	5.05	— .15	} — .0825
	21.....	4.90	4.89	+ .01	
	28.....	4.90	4.97	— .07	
	4.....	4.95	4.93	+ .02	
Dec.	11.....	5.00	5.05	— .05	} — .238
	18.....	5.00	5.14	— .14	
	24.....	5.00	5.16	— .16	
	2.....	5.00	5.23	— .23	
	9.....	5.00	5.16	— .16	} — .238
	16.....	5.00	5.12	— .12	
	23.....	4.80	5.12	— .32	
	30.....	4.80	5.16	— .36	
Averages.....		4.762	4.890	— .128	

EXHIBIT "PALMER No. 17."

Difference in wholesale and retail prices of sugar (cents per pound) in the United States, 1890 to 1907.

[Compiled by Truman G. Palmer.]

Years.	Average New York price of 96° raw sugar. ¹	Average New York wholesale price of standard granulated sugar. ¹	Average New York City and Brooklyn retail price of granulated sugar. ²	Average United States retail price of granulated sugar. ³	Difference between—		
					New York raw and refined.	New York wholesale and New York retail.	New York wholesale and United States retail.
1890.....	5.57	6.27	7.04	6.75	0.70	0.77	0.48
1891.....	3.92	4.65	5.56	5.85	.73	.91	1.20
1892.....	3.32	4.35	5.07	5.47	1.03	.72	1.12
1893.....	3.69	4.84	5.49	5.78	1.15	.66	.94
1894.....	3.24	4.12	4.95	5.34	.88	.83	1.22
1895.....	3.23	4.12	4.85	5.23	.89	.73	1.11
1896.....	3.62	4.53	5.08	5.50	.91	.55	.97
1897.....	3.56	4.50	5.09	5.45	.94	.59	.95
1898.....	4.24	4.97	5.72	5.77	.73	.75	.80
1899.....	4.42	4.92	5.80	5.79	.50	.88	.87
1900.....	4.57	5.32	6.01	5.97	.75	.69	.65
1901.....	4.05	5.05	5.95	5.86	1.00	.90	.81
1902.....	3.54	4.46	5.71	5.47	.92	1.25	1.01
1903.....	3.72	4.64	5.60	5.47	.92	.96	.83
1904.....	3.97	4.77	5.68	5.80	.80	.91	1.03
1905.....	4.28	5.26	5.67	5.92	.98	.41	.66
1906.....	3.69	4.52	5.31	5.59	.83	.79	1.07
1907.....	3.76	4.65	5.51	5.67	.89	.86	1.02
Average ...	3.91	4.99	5.56	5.70	.863	.786	.881

¹ United States Statistical Abstract, 1909, p. 568.
² 1890-1903, Eighteenth Annual Report Commissioner of Labor, p. 826; 1904, Bulletin No. 59, Bureau of Labor, p. 282; 1905-6, Bulletin No. 71, Bureau of Labor, p. 306; 1906-7, Bulletin No. 77, Bureau of Labor, p. 310.
³ Bulletin No. 77, p. 200.

NOTE.—The average United States retail price of sugar is derived from the monthly reports of retail merchants located in 33 States reporting to the Bureau of Labor, and includes those reporting from New York and Brooklyn. The Bureau of Labor has not published retail prices since 1907.

EXHIBIT "PALMER No. 18."

AVERAGE RETAIL PRICE OF SUGAR IN THE UNITED STATES, BY STATES, FOR 10 YEARS, 1890 TO 1899.

[Compiled by Truman G. Palmer, from Eighth Annual Report of the Commissioner of Labor, 1903, pp. 820-830.]

In making this compilation I have omitted the quotations on lump, pulverized, "coffee A," and "coffee C," using only quotations for granulated, which makes the result differ slightly from the result derived from Bulletin No. 77 of the Bureau of Labor.

The following figures for the various States, showing the average cost of sugar in those States for a period of 10 years (1890-1899) are derived by adding all the quotations gathered by the Bureau of Labor from various cities and towns in each State and dividing the total by the number of quotations.

The average New York wholesale price of sugar during this period was 4.727 cents per pound, and the average retail price in the United States, as shown by these figures, was 5.693 cents per pound, the difference between the average New York wholesale price and the average retail price being 0.966 cents per pound, which was what was charged for freight and distribution.

The following list shows that the charge for distribution in Maine was greater by 72½ cents per 100 pounds than it was in New Hampshire; that the people of New York City paid within 2.2 cents per 100 pounds as much for sugar as did the people of Chicago, located 1,000 miles from the nearest refinery, while New York City is the greatest refining center in the United States, if not in the world. The people of Mary-

land, Virginia, Rhode Island, and Kansas paid a less price per pound for their sugar than did the people in New York City, where no railway freight charges were involved, while the people of Kentucky, Michigan, Wisconsin, Maine, District of Columbia, Chicago, Georgia, Maryland, Virginia, Rhode Island, and Kansas, paid less per pound for their sugar than did the people of Boston, where refineries are located.

The people of Kansas, with freight rates of 32 to 40 cents a hundred from the nearest refineries, paid 15.8 cents per 100 less for their sugar than did the people of New York City, 21.8 cents less than the people of Philadelphia, and 46 cents per 100 less than did the people of Boston.

These figures would seem to show that sugar in the United States is not generally sold at retail at the New York wholesale price plus the freight, plus an irreducible margin.

	Cents per pound.
States arranged geographically:	
Maine.....	5.50
New Hampshire.....	6.22½
Boston.....	5.71
Massachusetts, not including Boston.....	5.95
Connecticut.....	5.74½
Rhode Island.....	5.38½
New York City.....	5.40 ¹ / ₁₀
New York State, not including New York City.....	5.70
New Jersey.....	5.85
Philadelphia.....	5.46 ¹ / ₁₀
Pennsylvania, not including Philadelphia.....	5.82
Delaware.....	5.70
Maryland.....	5.40 ⁷ / ₁₀
District of Columbia.....	5.44 ¹ / ₁₀
Virginia.....	5.38 ⁶ / ₁₀
West Virginia.....	6.08
North Carolina.....	5.89
South Carolina.....	6.56 ¹ / ₁₀
Georgia.....	5.41
Ohio.....	5.75 ¹ / ₁₀
Indiana.....	6.30
Chicago.....	5.43
Illinois, not including Chicago.....	5.84 ¹ / ₁₀
Michigan.....	5.58½
Wisconsin.....	5.54½
Minnesota.....	6.06 ¹ / ₁₀
Iowa.....	5.94 ¹ / ₁₀
Missouri.....	5.85 ¹ / ₁₀
Kansas.....	5.25
Kentucky.....	5.65
Tennessee.....	5.72 ⁷ / ₁₀
Alabama.....	5.84
Louisiana.....	6.09
Texas.....	6.49
Colorado.....	6.32
Washington.....	5.94
California.....	6.11

	Cents per pound.
States arranged according to price paid for sugar:	
South Carolina.....	6.56 ¹ / ₁₀
Texas.....	6.49
Colorado.....	6.32
Indiana.....	6.30
New Hampshire.....	6.22½
California.....	6.11
Minnesota.....	6.09 ¹ / ₁₀
Louisiana.....	6.09
West Virginia.....	6.08
Massachusetts, not including Boston.....	5.95 ² / ₁₀
Iowa.....	5.94 ¹ / ₁₀
Washington.....	5.94
North Carolina.....	5.89
Missouri.....	5.85 ¹ / ₁₀
New Jersey.....	5.85
Illinois, not including Chicago.....	5.84 ¹ / ₁₀
Alabama.....	5.84
Pennsylvania, not including Philadelphia.....	5.82
Ohio.....	5.75 ¹ / ₁₀
Connecticut.....	5.74½
Tennessee.....	5.72 ⁷ / ₁₀
Boston.....	5.71
New York State, not including New York City.....	5.70
Delaware.....	5.70
Kentucky.....	5.65
Michigan.....	5.58½
Wisconsin.....	5.54½
Maine.....	5.50
Philadelphia.....	5.46 ¹ / ₁₀
District of Columbia.....	5.44 ¹ / ₁₀
Chicago.....	5.43
Georgia.....	5.41
New York City.....	5.40 ¹ / ₁₀
Maryland.....	5.40 ⁷ / ₁₀
Virginia.....	5.38 ⁶ / ₁₀
Rhode Island.....	5.38½
Kansas.....	5.25
Cities—	
Boston.....	5.71
New York City.....	5.40 ¹ / ₁₀
Philadelphia.....	5.46 ¹ / ₁₀
Chicago.....	5.43

No. 32

HEARINGS

HELD BEFORE THE

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE
AMERICAN SUGAR REFINING CO. AND OTHERS**

TUESDAY, AUGUST 1, 1911

HOUSE OF REPRESENTATIVES

**WASHINGTON
GOVERNMENT PRINTING OFFICE
1911**

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN
SUGAR REFINING CO.**

HOUSE OF REPRESENTATIVES.

THOMAS W. HARDWICK, *Chairman.*

**FINIS J. GARRETT.
WILLIAM SULZER.
JOHN E. RAKER.
H. M. JACOWAY, Jr.**

**GEORGE R. MALBY.
J. W. FORDNEY.
E. H. MADISON.
A. C. HINDS.**

AMERICAN SUGAR REFINING CO.

SPECIAL COMMITTEE ON THE INVESTIGATION
OF THE AMERICAN SUGAR REFINING CO. AND OTHERS,
HOUSE OF REPRESENTATIVES,
Tuesday, August 1, 1911.

The committee this day met, Hon. Thomas W. Hardwick (chairman) presiding.

TESTIMONY OF MR. TRUMAN G. PALMER—Continued.

The CHAIRMAN. The committee will be in order, and we will resume the hearing.

Mr. MADISON. Mr. Palmer, have you any other tables which you wish to submit?

Mr. PALMER. Yes, sir. When you adjourned last night I had just submitted a table on the cost of distribution, which showed the cost per pound as taken from the report of the Bureau of Labor for the years 1890 to 1907. In the table I have here I have carried that out to show what the total cost of distribution is to the people on the sugar consumed.

The CHAIRMAN. This is another table?

Mr. PALMER. Yes, sir.

The CHAIRMAN. No. 17?

Mr. PALMER. No; the stenographer told me the next one should be No. 19. This table is interesting from the fact that it is generally understood there is no profit in handling sugar. The cost of distribution of sugar in 1907 was \$68,382,480. That included freight, jobbers, and retailers.

Mr. MADISON. Where do you get those figures?

Mr. PALMER. From the Bureau of Labor. The average for the period of 1890 to 1907 was \$46,664,999 a year.

The CHAIRMAN. What per cent of the value of the article is that?

Mr. PALMER. In 1890 it was 8 per cent; in 1891 it was 26 per cent; in 1892 it was 26 per cent. In other words, the percentage jumped up as the price went down.

The CHAIRMAN. Yes; naturally.

Mr. MADISON. During the time of the sugar war?

Mr. PALMER. No; it was in 1890, when we had free sugar.

Mr. MADISON. And it was also during the time of the sugar war. At that time the contest was going on at the Philadelphia refinery?

Mr. PALMER. And the average for that period was 20 per cent.

The CHAIRMAN. Have you made any comparison of that cost of distribution with other standard articles?

Mr. PALMER. Yes. I have tea and coffee here.

The CHAIRMAN. In a subsequent table?

Mr. PALMER. Yes, sir.

(Table No. 19 is as follows:)

EXHIBIT "PALMER No. 19."

Cost of distributing sugar in the United States.

[Compiled by Truman G. Palmer from reports of the Bureau of Labor and Willett & Gray's Weekly Statistical Sugar Trade Journal.]

Years.	Total consumption. ¹	New York whole-sale price, per 100 pounds. ¹	United States retail price, per 100 pounds. ²	Difference between New York whole-sale and United States retail price, per 100 pounds.	Distribution charge (per cent on cost).	Distribution cost, per long ton.	Cost of distribution for the year.
	<i>Long tons.</i>				<i>Per cent.</i>		
1890.....	1,522,731	\$6.27	\$6.75	\$0.48	8	\$10.75	\$16,369,358
1891.....	1,872,400	4.65	5.85	1.20	26	26.88	50,330,112
1892.....	1,853,370	4.35	5.47	1.12	26	25.09	46,501,053
1893.....	1,905,862	4.84	5.78	.94	19	21.06	40,137,453
1894.....	2,012,714	4.12	5.34	1.22	30	27.33	55,007,473
1895.....	1,949,744	4.12	5.23	1.11	27	24.86	48,470,635
1896.....	1,940,086	4.53	5.50	.97	21	21.73	42,158,068
1897.....	2,070,978	4.50	5.45	.95	21	21.28	44,070,411
1898.....	2,002,902	4.97	5.77	.80	16	17.92	35,892,003
1899.....	2,078,008	4.92	5.79	.87	18	19.48	40,479,595
1900.....	2,219,847	5.32	5.97	.65	12	14.56	32,329,972
1901.....	2,372,316	5.05	5.86	.81	16	18.14	43,033,812
1902.....	2,566,108	4.46	5.47	1.01	23	22.62	58,045,362
1903.....	2,549,643	4.64	5.47	.83	18	18.59	47,397,863
1904.....	2,767,162	4.77	5.80	1.03	22	23.07	63,838,427
1905.....	2,632,216	5.26	5.92	.66	13	14.78	38,904,152
1906.....	2,864,013	4.52	5.59	1.07	24	23.96	68,621,751
1907.....	2,993,979	4.65	5.67	1.02	22	22.84	68,382,480
Total.....	40,174,079						839,969,980
Average.....	2,231,893	4.77	5.70	.93	20	20.83	46,664,999

¹ Willett & Gray.

² Bureau of Labor.

Mr. MADISON. Now, give those tables, Mr. Palmer.

Mr. PALMER. Yes, sir. This is a table showing the imports, duties collected, and the total import price plus the duty, where there was a duty on tea; the average retail price, the difference between the import and retail price, the average retail price in excess of the average import price, the total amount paid for tea by the consumer, and the net amount paid for tea by the consumer in excess of the import cost.

The CHAIRMAN. What is that—Table No. 20?

Mr. PALMER. That would be No. 20.

The CHAIRMAN. I did not quite catch what that table covered?

Mr. PALMER. United States tea imports; the import and retail prices from 1898 to 1907. The retail prices are taken from the Bureau of Labor's report and the import prices taken from the United States Statistical Abstract.

The CHAIRMAN. What is the object of putting in that table? Is it to compare it with the cost of distributing sugar?

Mr. PALMER. Yes; the cost of distribution. The cost of distribution for that period averaged 181 per cent.

The CHAIRMAN. Tea?

Mr. PALMER. Tea.

Mr. MADISON. Now, by the cost of distribution you mean the cost of selling, marketing?

Mr. PALMER. Yes, sir.

Mr. MADISON. And not the original cost of the article?

Mr. PALMER. Oh, no.

Mr. MADISON. Just simply the cost of distributing it through the various channels of trade to the consumers?

Mr. PALMER. Yes, sir. You know that at the time of the Spanish War we put a duty of 10 cents a pound on tea, and tea did not go up materially in price on account of that duty, and when we took it off it did not go down in price; it continued just about the same.

Mr. MADISON. Was that because of the fact that they were charging the consumer all the traffic would bear?

Mr. PALMER. I judge so.

(Table No. 20 is as follows:)

EXHIBIT "PALMER No. 20."

United States tea imports—Imports and retail prices, 1898–1907..

[Compiled by Truman G. Palmer from figures of United States Statistical Abstract and the Bureau of Labor.]

Years.	Imports.		Customs duties collected, 10 cents per pound.	Total import price including duty.	Average import price per pound.
	Quantity.	Value.			
	<i>Pounds.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Cents.</i>
1898.....	71,957,715	10,054,283	41,322	10,095,605	14.03
1899.....	74,089,899	9,675,081	4,815,834	14,490,915	19.56
1900.....	84,845,107	10,558,110	8,012,568	18,570,678	21.89
1901.....	89,806,453	11,017,876	8,259,354	19,277,230	21.47
1902.....	75,579,125	9,390,128	7,882,607	17,272,735	22.85
1903.....	108,574,905	15,659,229	2,178,279	17,837,508	16.43
1904.....	112,905,541	18,229,310	.....	18,229,310	16.15
1905.....	102,706,599	16,230,858	.....	16,230,858	15.89
1906.....	93,621,750	14,580,878	.....	14,580,878	15.57
1907.....	86,368,490	13,915,544	.....	13,915,544	16.11
Average and total for 10 years..	900,455,584	129,311,297	31,189,964	160,501,261	17.98

Years.	Average retail price per pound.	Difference between import and retail price per pound.	Average retail price in excess of average import price.	Total amount paid for tea by the consumer.	Net amount paid for tea by the consumer in excess of the import cost.
	<i>Cents.</i>	<i>Cents.</i>	<i>Per cent.</i>	<i>Dollars.</i>	<i>Dollars.</i>
1898.....	47.17	33.14	237	33,942,455	23,846,859
1899.....	49.02	29.46	150	36,318,868	21,827,953
1900.....	49.50	27.61	126	41,998,328	23,427,659
1901.....	50.00	28.53	132	44,903,226	25,625,996
1902.....	50.25	27.40	120	37,978,510	20,705,735
1903.....	49.75	33.32	203	54,016,015	36,178,507
1904.....	49.50	33.35	207	55,888,243	37,658,933
1905.....	49.50	33.70	213	50,839,767	34,608,909
1906.....	49.50	33.93	217	46,342,766	31,761,888
1907.....	49.26	33.15	206	42,545,118	28,629,574
Average and total for 10 years.....	49 35	31.36	181	444,773,296	284,271,995

Mr. RAKER. Have you that table on the question of coffee?

Mr. PALMER. Yes, sir.

Mr. RAKER. Is it your contention, in putting in that table, that the amount paid at the customhouse does not affect the price?

Mr. PRICE. No; it does not; it only just happens to show that way. The only way I could show the cost of distribution was to take into account—

Mr. RAKER (interposing). I understand your idea.

Mr. PALMER. This is a similar table on our coffee distribution. From 1898 to 1907 the distribution of coffee cost 221 per cent of the import price of the coffee.

Mr. MADISON. It cost how much?

Mr. PALMER. Two hundred and twenty-one per cent. The coffee during that period averaged to cost 7.28 cents per pound, and the consumer averaged to pay 23.20 cents per pound.

Mr. RAKER. What was the first percentage?

Mr. PALMER. 7.28.

Mr. RAKER. And the other?

Mr. PALMER. 23.20; and is explained in a footnote on that table. In those figures I have not taken into account the loss in weight in roasting.

The CHAIRMAN. That would be a material reduction?

Mr. PALMER. Which is usually considered 2 ounces to the pound.

The CHAIRMAN. Twelve and one-half per cent?

Mr. PALMER. Yes. But we do not know anything about how much chicory is added and other things put into coffee, nor do we know how much starch is added. In the glazing they use sugar, eggs, and other substances, but I have explained that thoroughly. There is nothing to base it on to know how much to take out, and I have explained it in the footnote.

The CHAIRMAN. In other words, your figures include what is equivalent to the processes of refining in the sugar industry?

Mr. PALMER. Yes.

Mr. GARRETT. Mr. Sielcken, of the firm of Crossman & Sielcken, testified before a committee of which I was a member last year, that the cost of roasted coffee was about 10 cents; that allowing for shrinkage and the cost, and so forth, it made coffee cost them about 10 cents, as I recollect it.

Mr. PALMER. Yes. And the average retail price for this period was 23½ cents, while the distribution costs from \$130,000,000 to \$160,000,000 a year on coffee.

Mr. HINDS. I would like to ask the witness whether he has any knowledge as to the extent to which coffee is adulterated now?

Mr. PALMER. No; I have not.

Mr. GARRETT. I might say, in that connection, that Mr. Sielcken stated, if I remember correctly, that prior to the passage of the pure-food law there was considerable adulteration, but that the passage of the pure-food law has done away with a great deal of it.

Mr. PALMER. I do not know whether the pure-food law prevents the use of chicory in coffee or not. The French, you know, always use chicory, a small percentage, 5 per cent, as it makes a better coffee; but chicory is cheaper than coffee, and the tendency is to use more and more chicory.

Mr. HINDS. I have been told by old employees of the Capitol that during the Civil War the adulteration of coffee was so excessive that the Government bought its own raw coffee and roasted it under the House of Representatives, to the great fragrance of the Capitol and to the interest of all the people therein.

Mr. MADISON. It would be interesting to know, if you have the information, how the cost to the consumer of these two articles, coffee and tea, compares with the cost to the consumer in England, Germany, or some of the other great civilized countries.

Mr. PALMER. I have a table coming here in which I can give you the comparison with this country and the United Kingdom.

Mr. MADISON. All right.

(Table No. 21 is as follows:)

EXHIBIT "PALMER No. 21."

United States coffee imports—Import and retail prices, 1898–1907.

[Compiled by Truman G. Palmer from figures of the United States Statistical Abstract and Bulletins of the Bureau of Labor.]

Years.	Imports.		Average import price per pound.	Average retail price per pound.	Difference between import and retail price per pound.	Average retail price in excess of average import price.	Total amount paid for coffee by the consumer. ¹	Net amount paid for coffee by the consumer in excess of the import cost. ¹
	Quantity.	Value.						
	<i>Pounds.</i>		<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Per cent.</i>		
1898.....	870,514,455	\$65,067,631	7.47	23.04	15.57	208	\$200,566,530	\$135,498,899
1899.....	831,827,068	55,275,470	6.65	22.88	16.23	244	190,322,022	135,046,562
1900.....	787,991,911	52,467,943	6.66	23.04	16.38	246	181,553,336	129,085,393
1901.....	857,018,121	63,104,646	7.36	22.94	15.58	212	196,599,957	133,495,311
1902.....	1,092,344,170	71,125,449	6.51	22.68	16.17	248	247,743,658	176,618,209
1903.....	923,253,821	60,146,754	6.52	22.57	16.05	246	208,378,387	148,231,633
1904.....	998,677,479	69,988,202	7.00	23.20	16.20	231	231,093,175	161,704,973
1905.....	1,046,628,441	84,710,383	8.10	23.70	15.60	193	247,908,741	163,198,358
1906.....	853,799,615	73,514,444	8.61	23.92	15.31	179	204,228,868	130,714,424
1907.....	986,586,928	78,882,828	7.94	24.04	16.10	203	237,077,660	158,694,837
Total ²	9,248,050,999	673,793,745	7.28	23.20	15.91	221	2,146,072,344	1,472,288,599

¹ In these figures no account has been taken of the shrinkage in roasting nor of the weight added by glazing with sugar, eggs, and other substances, and no estimate has been made of the amount of chicory and other substances used in adulterating coffee. The average shrinkage in roasting is said to be 15 to 16 per cent. These figures are predicated on consumers purchasing as coffee the weight of the coffee beans imported.

² Totals and averages are for 10 years.

Mr. PALMER. The next table shows a combination of the distribution cost of tea, coffee, and sugar, the three being itemized. The total average cost of distributing those three articles in 1898 to 1907 was \$225,350,601 a year, or, in other words, in that 10 years it cost us \$2,253,506,011 to distribute those three articles.

Mr. MADISON. Sugar is refined in order to make it ready to place on the market, and after the coffee is roasted it is put in proper packages, and so forth—have you taken that into account at all?

Mr. PALMER. No; I have not taken into account, as stated, the cost of roasting the coffee; I was simply taking the import price and the retail price.

Mr. MADISON. Well, you say your figures do not include the cost of roasting?

Mr. PALMER. No, sir; I have no reliable data.

Mr. MADISON. That is, they are not separately stated, but it is included in your final figures, of course?

Mr. PALMER. Yes, sir.

Mr. MADISON. But how much is for roasting, how much for freight, and how much for profit to the distributor you do not know?

Mr. PALMER. No.

Mr. MADISON. You do not state those separately?

Mr. PALMER. No, sir.

(Table No. 22 is as follows:)

EXHIBIT "PALMER No. 22."

Cost of distributing tea, coffee, and sugar in the United States.

[Compiled by Truman G. Palmer from reports of the Bureau of Labor and United States Statistical Abstract.]

Years.	Tea.		Coffee.		Sugar.		Total tea, coffee, sugar.
	Per 100 pounds.		Per 100 pounds.		Per 100 pounds.	Total.	
1898.....	\$33.14	62 60	\$15.54	36,800	\$0.80	31 08	\$198,237,752
1899.....	29.46	2 52	16.38	35,502	.87	4 06	197,354,110
1900.....	27.61	2 50	16.34	35,398	.66	1 72	184,943,018
1901.....	28.53	2 96	15.54	35,311	.81	4 12	302,155,119
1902.....	27.40	2 35	16.23	35,209	1.01	8 62	258,399,308
1903.....	33.32	3 07	15.97	31,633	.83	4 63	231,808,008
1904.....	33.33	3 33	16.30	34,973	1.00	6 27	263,202,333
1905.....	33.70	3 09	15.60	35,358	.66	3 53	236,711,419
1906.....	33.93	3 88	15.32	34,424	1.07	6 51	231,098,063
1907.....	33.15	2 74	16.14	34,837	1.00	6 80	256,706,891
Total.....		284,271,995		1,472,288,899		496,925,417	2,253,506,011
Average.....	\$1.36	28,427,199	15.93	147,228,889		49,694,541	226,880,001

MR. PALMER. Speaking of roasting, I can put that in now. I prepared a little table from the census report showing the coffee-roasting plants in one column and the beet-sugar plants in the next column, giving a comparison of the money invested in the two, and the net balance of the two in lands, buildings, and machinery. There was invested, in 1904, in beet-sugar plants, \$41,900,000; in coffee-roasting plants, \$7,157,000. The net balance, after deducting the cost of labor and materials, was \$4,416,000 in the sugar plants, and \$5,313,000 in the coffee-roasting plants, which had, as I say, but \$7,000,000 invested in land, buildings, and machinery, as against \$41,000,000 in land, buildings, and machinery in the beet-sugar industry.

(Table No. 23 is as follows:)

EXHIBIT "PALMER No. 23."

Beet-sugar and coffee-roasting plants in 1904.

[Beet sugar, 1905 census, vol. 3, pp. 454-455. Coffee roasting, 1905 census, vol. 1, pp. cxxvii, 6, and 170.]

[Compiled by Truman G. Palmer.]

	Beet-sugar plants.	Coffee-roast- ing plants.
Number of plants.....	51	1 402
Capital.....	\$55,923,450	\$38,734,868
In land.....	\$1,737,943	\$1,059,469
In buildings.....	\$11,466,749	\$2,340,248
In machinery.....	\$28,695,826	\$3,758,096
Total in land, buildings, and machinery.....	\$41,900,517	\$7,157,813
Cash and sundries.....	\$14,022,942	\$31,577,055
Wage earners:		
Number employed (minimum, 5,675).....	13,178	7,315
Wages paid.....	\$2,496,702	\$3,035,524
Officers.		
Officers, superintendents, clerks, etc., number.....	763	2,960
Salaries paid.....	\$1,004,636	\$3,337,759
Miscellaneous expenses.....	\$1,999,555	\$7,590,441
Cost of materials used.....	\$14,486,876	\$72,171,082
Cost of labor and materials.....	\$19,977,709	\$80,135,416
Total value of products.....	\$24,393,794	\$91,449,201
Balance.....	\$4,416,085	\$5,313,785

1 451 establishments in existence; 402 reporting.

The CHAIRMAN. Do you mean to say to the committee that is a fair comparison with the profit of the coffee people and of the beet-sugar people?

Mr. PALMER. Well, everything would indicate it.

The CHAIRMAN. Well, I know that; but do you believe that? Do you believe those figures yourself?

Mr. PALMER. Yes; I do. You have got 200 per cent on the cost of coffee, after it is landed in New York, to divide up amongst somebody. There are the roasters, the retailers, and the jobbers; I do not know how much of the proportion each one gets, but——

The CHAIRMAN (interposing). It looks like everybody in the beet-sugar business should get out of that business and get into the coffee business, if that is true.

Mr. HINDS. Is it not true that the jobbers and the retailers make up on coffee what they lose in handling sugar? In other words, is it not true they make sugar a leader and practically make nothing on it, and that they have to recoup themselves, and do it on coffee?

Mr. PALMER. No, sir; that is not exactly the case. They do make money, as a rule, on sugar. They handle it as a leader, and when it is stated there is no money in handling sugar that is only a relative term, but there is no such money as there is in handling tea and coffee. Those things are things that the grocer dotes on. On tea and coffee the margin is enormous, but, of course, the market is less; there is not as much of it used. As shown by these tables, here is a margin to the amount of \$50,000,000 or \$60,000,000 a year for distributing sugar.

The CHAIRMAN. Sixty-four were your figures as you just gave them, were they not?

Mr. PALMER. Yes.

Mr. MADISON. What were the figures? I want to refresh my memory. I had 68 in my mind.

The CHAIRMAN. Well, 64 is my recollection.

Mr. PALMER. In 1898—I will just read the millions.

The CHAIRMAN. Yes; just the millions.

Mr. PALMER. In 1898, \$35,000,000; 1899, \$40,000,000; 1900, \$32,000,000; 1901, \$43,000,000; 1902, \$58,000,000; 1903, \$47,000,000; 1904, \$63,000,000; 1905, \$38,000,000; 1906, \$68,000,000; and 1907, \$68,000,000. The average for that period was \$49,000,000.

Mr. MADISON. Do you know why there is such a great disparity between recent years? For instance, it ran down to less than \$40,000,000, and then in a year or two it is up to \$68,000,000?

Mr. PALMER. Yes.

Mr. MADISON. What is the reason for that disparity, if you know?

Mr. PALMER. I judge that part of it is on account of the quantity distributed. I will read you the figures per 100 pounds—they are not so far apart—80 cents, 87 cents, 65 cents, 81 cents, \$1.01, 83 cents, \$1.03, 66 cents, \$1.07, and \$1.02. You see it costs more to distribute sugar in the United States than the seaboard refiners get for all their sugar and labor and material, and the losses in taking out the impurities that are in the raw sugar. Here is a table showing certain features concerning tea, coffee, and sugar. The cost of tea per pound is 12.3 cents; of coffee, 7.4 cents; of sugar, 5.05 cents. Now, the freight, wholesaling and retailing, per pound, is 37.7 on tea, 15.54 cents on coffee, and 82 cents on sugar. This is the year 1901, taken

from Bulletin No. 77, of the Bureau of Labor. The pounds consumed annually per family were 10.6 pounds of tea, 46.8 pounds of coffee, and 268.5 pounds of sugar. The cost of the product per family, not including distribution charges, that is, the wholesale cost of those articles, for tea was \$1.30; for coffee, \$3.46; and for sugar, \$13.56.

Now, the cost per family for distribution and profit of wholesalers and retailers was \$4 for tea, \$7.28 for coffee, and \$2.20 for sugar. The total cost per family was \$5.30 for tea, \$10.74 for coffee, and \$15.76 for sugar. The reason why, I suppose, the retailer can make so much larger profit on tea and coffee is this: Sugar is sugar. The American people have got into the habit of consuming refined sugar that is 100 per cent sucrose. Years ago, perhaps, Havemeyers & Elder's brand of sugar would bring a little more than other brands, but there is very little of that now. But I doubt if you can go into a grocery store from ocean to ocean and not find a sign up, "Mocha and Java coffee." And you ask the grocer about coffee and he shows you a coffee at 25 cents, but he says: "Here is something extra fine; here is something superior; here is a fine old Mocha and Java," and you pay him about 40 cents a pound for that fine old Mocha and Java. Well, now, the statistics show that of our importations less than three-fourths of 1 per cent are Java and less than one-fourth of 1 per cent are Mocha. So that 1 per cent of Mocha and Java does a great service all over the country. And it is in that way, having the different grades, that they manage to get such a large price.

Mr. RAKER. The local man is not to blame when he buys those packages thus marked from the wholesaler, is he?

Mr. PALMER. I do not think he is.

Mr. RAKER. He buys a package that is marked Mocha and Java?

Mr. PALMER. Yes.

Mr. RAKER. And they sell it for that much more and represent it to their customers as marked on the package; is not that the rule?

Mr. PALMER. I presume that is true. But I know, from talking with retailers, that coffee and tea are things that they carry very closely to their hearts, and their profits on coffee and tea are larger than on almost anything they handle.

Mr. MADISON. What is the wholesaler's profit on coffee and tea?

Mr. PALMER. I can not tell you.

Mr. MADISON. Well, I draw the inference, from what you state, that the principal charge to the consumer is the retailer's profit?

Mr. PALMER. I think he gets the bulk of it.

Mr. HINDS. Is not most all of the coffee now sold in little tin cans?

Mr. PALMER. A good deal of it; yes, sir.

Mr. HINDS. Have you any knowledge as to the cost of those cans?

Mr. PALMER. No; I have not.

Mr. HINDS. It would be a cent or two for a can containing a pound of coffee, would it not?

Mr. PALMER. Perhaps. They are very cheap; just what it is I do not know.

Mr. HINDS. Of course, there is the tin in the can, the manufacturing of the can, the printing on the label, and the putting on of the label?

Mr. PALMER. Certainly.

Mr. RAKER. Right on that line, it is very interesting to me. These little cans, I think, sell for a dollar, and they have printed on the outside "Mocha and Java." I think there are 2 pounds, or 2½ pounds in one of those cans, or maybe 3 pounds—a 3-pound can for \$1.

Mr. PALMER. Yes, sir; I think they put them up with a little screw top.

Mr. RAKER. Now, the local man, the local merchant, is not to blame for putting this Mocha and Java on the public, is he?

Mr. PALMER. Not in that form; no.

Mr. RAKER. Now, as a matter of fact, just as you state it and from your statistics, and I have also heard it repeated a good many times in San Francisco, that possibly there was not one one-hundredth of 1 per cent of the product sold as Mocha and Java that contained one grain in it.

Mr. PALMER. Yes. We buy the cheapest coffee in the world, the Brazilian coffee comprising the bulk of our imports.

Mr. RAKER. You have not any table there that would show what the wholesaler gets, or what these manufacturers get for their coffee?

Mr. PALMER. No. There is nothing that I can get hold of, or that I have discovered yet, that would show what they get, except that one table.

Mr. RAKER. Could you get us this information, namely, the quantity of coffee imported from all sources, then the quantity of coffee that is disposed of by these factories—that is, sold by them—and then the quantity of coffee that is consumed in the United States? Could you get such a table?

Mr. PALMER. That is possible; it is possible I could. I will if I can.

Mr. RAKER. Well, did not the departments prepare any information of that kind, as well as information on these other subjects?

Mr. PALMER. Yes.

Mr. JACOWAY. I think the speech of Judge Norris, delivered at this session of Congress, will give that information. I listened to that speech very carefully, and I think such information is contained in it.

Mr. PALMER. I find this, that there is an enormous amount of information on file at our various departments, but it is not compiled in a way that the average man is interested in it when he sees it, if he does see it. A great deal of it millions of people never do see. But we have these statistics in our various departments for nearly everything, if we are only able to put our hands on them, and then bring them out and draw your comparisons.

Mr. RAKER. What I was getting at was to ascertain the quantity of coffee imported and then compare that with the quantity that was sold by these factories, and in that way see whether we could not get some idea of the quantity of chicory and other substances that was put in their coffee and sold as Mocha and Java and other imported brands.

Mr. PALMER. Well, I will see if I can get that data. I will be very glad to do so if I can.

Mr. JACOWAY. Since the passage of the pure-food law have you noticed cans marked "Mocha and Java," containing 2½ pounds, put up for sale by the different retailers from ocean to ocean, as you say?

Mr. PALMER. No, sir; I have not.

Mr. JACOWAY. I read an article, which I think is correct, that as a matter of fact, there were but five bags of pure Mocha and Java imported into the United States last year.

Mr. PALMER. Well, the Statistical Abstract—perhaps it was three years ago when I looked it up—showed a fraction less than three-fourths of 1 per cent of our total imports to be Java and a fraction less than one-fourth of 1 per cent to be Mocha.

(Table No. 24 is as follows:)

EXHIBIT "PALMER No. 24."

Tea, coffee, and sugar.—Consumption and cost per family in the United States in 1901.

[Import and wholesale prices from United States Statistical Abstract. Quantity consumed per family and retail prices from Bulletin No. 77, pp. 204–205, Bureau of Labor.]

[Compiled by Truman G. Palmer.]

	Tea.	Coffee.	Sugar.
Cost per pound.....cents..	¹ 12.3	¹ 7.4	² 5.05
Freight, wholesaling and retailing, per pound.....do....	37.7	15.54	.82
Average price per pound paid by consumer.....do....	50	22.94	5.87
Amount consumed annually per family.....pounds..	10.6	46.8	263.5
Cost of product per family, not including distribution charges.....	\$1.30	\$3.46	\$13.56
Cost per family for distribution and profit of wholesalers and retailers.....	\$4.00	\$7.28	\$2.20
Total cost per family.....	\$5.30	\$10.74	\$15.76

¹ Average import price.

² New York wholesale price standard granulated.

Mr. MADISON. Now, if you will give your comparison with European prices?

Mr. PALMER. Yes, sir.

Mr. MADISON. On these articles that you have just been mentioning?

Mr. PALMER. I am unable to give you a comparison with coffee for the reason that the United Kingdom's statistical abstract does not separate coffee and cocoa; they bring the two in together, and the same way with the British Board of Trade in collecting their statistics over there from workingmen's families; they bunched it—coffee and cocoa. They do not drink nearly as much coffee as we do. Tea is their great leader, but they drink a great deal of cocoa. Those two things are grouped together, and therefore I can not make a comparison on coffee. But here is a very interesting comparison on tea. This is for the year 1905. I had to take that year, because that is the year when the British Board of Trade made their investigation of retail prices in Great Britain. We imported that year, in round numbers, 102,000,000 pounds of tea; Great Britain imported 308,000,000 pounds. The value of our imports was \$16,000,000, and the value of her imports was \$45,000,000. The duty collected—our tea was free; they collected \$30,000,000. The value of the imports, duty paid, was \$16,000,000 in this country and \$76,000,000 in Great Britain. The cost of distribution—now, mind you, there were 102,000,000 pounds in this country and 308,000,000 in Great Britain, and the cost of distribution was \$34,608,000 in this country and

\$36,392,000 in Great Britain; virtually the same amount of money for distributing three times the amount of product. The total cost to consumers was \$50,000,000 in this country and \$112,000,000 in Great Britain. The import value per pound in this country was 15.8 cents and in Great Britain 14.7 cents. The import value per pound, plus duty, 15.8 cents in this country and 24.7 cents in Great Britain. Now, the retail price per pound in this country was 49.5 cents and the retail price per pound in Great Britain, where they paid 10-cents per pound duty, was 36.5 cents. The cost of distribution per pound was 33.7 cents in this country, and the cost of distribution in Great Britain was 11.8 cents.

Mr. MADISON. Now, can you give us any information as to why there is such a great disparity in favor of Great Britain in regard to the retail price?

Mr. PALMER. Yes; I think there are several reasons, one main reason being that we have the price in this country; we can be stood up and they have not the price. But one of the great reasons is that they have a fine system of cooperative stores; they do a business of over half a billion dollars a year in cooperative stores in Great Britain. I do not remember how many thousand retail stores there are—that is, where they started—and then they went to work and the retail stores started their wholesale stores.

Mr. RAKER. The Rochdale system, is that what you speak of?

Mr. PALMER. No. This is a more recent and a more general system than that. And they were not even satisfied to get the wholesaler's price. But the general wholesale stores then started manufacturing, even boots and shoes and things of that kind, and the dividends are apportioned according to the amount of purchases each month. If you buy \$20 worth of stuff within a month and I buy \$10 worth, you get a dividend for twice as much as I do, and they have made it a great success. Of course, we have tried that in the past and had a lot of scandal. It was tried right in this town with the department clerks, but I firmly believe that that is a system that we have got to come to in due course of time.

Mr. MADISON. Are those stores in anywise under governmental supervision or regulation?

Mr. PALMER. I understand not.

Mr. MADISON. Purely private enterprises?

Mr. PALMER. Yes, sir.

Mr. RAKER. And only entitled to so much of an interest, and no more?

Mr. PALMER. Yes; that is right.

Mr. RAKER. You get one share no matter how wealthy you are or how much you buy?

Mr. PALMER. Yes.

Mr. RAKER. And you get a percentage in return on the amount of purchases made in the year?

Mr. PALMER. Yes. And they have had no scandals with it. And on the Continent the parcels post cuts a considerable figure in the cost of living. A man living in town is furnished his butter by a certain farmer and his eggs by a certain farmer; they come in by parcels post, and they come direct from the producer to the consumer.

(Table No. 25 is as follows:)

EXHIBIT "PALMER No. 24."

Tea, import cost, duty and cost of distribution in the United States and in the United Kingdom in 1905.

[Compiled by Truman G. Palmer.]

	United States.	United King- dom.
Total imports.....pounds..	¹ 102,704,520	² 308,408,903
Value of imports.....	¹ \$16,230,858	³ \$45,397,230
Duty collected.....	Free.	⁴ \$30,840,800
Value of imports, duty paid.....	\$16,230,858	\$76,238,129
Cost of distribution.....	\$34,608,909	\$36,392,250
Total cost to consumers.....	\$50,839,767	\$112,196,382
Per pound.		
Import value, per pound ¹.....cents..	15.8	14.7
Import value, per pound, plus duty.....do..	15.8	24.7
Retail price, per pound ⁵.....do..	49.5	⁶ 36.5
Cost of distribution, per pound.....do..	38.7	11.8
Cost of distribution.....per cent..	213	48
Per family.		
Annual consumption per family ⁷.....pounds..	10.6	⁸ 31.2
Annual cost of tea per family.....	\$1.30	\$7.70
Annual cost of distribution per family.....	\$4.00	\$3.68
Total annual cost per family.....	\$5.30	\$11.38

¹ Statistical Abstract, 1910, p. 714.
² United Kingdom Statistical Abstract, 1907, p. 101.
³ United Kingdom Statistical Abstract, 1907, p. 117.
⁴ United Kingdom Statistical Abstract, 1907, p. 31 (10 cents per pound).
⁵ Bulletin No. 77, Bureau of Labor, p. 200 (20.2 pounds for \$1).
⁶ Bulletin No. 77, Bureau of Labor, p. 342, 32 cents to 41 cents, average, 36.5 cents.
⁷ Bulletin No. 77, Bureau of Labor, pp. 204-205.
⁸ Bulletin No. 77, Bureau of Labor, p. 345, 60 cents per week.

NOTE.—British Board of Trade, in S. Doc. No. 38, 62d Cong., 1st sess., p. 49, gives tea consumption at 0.07 pound per capita per week, equal to 18.2 pounds per family per annum.
Cost of distributing United States consumption of tea on basis of cost in United Kingdom, \$12,119,878, as against \$34,608,909, a difference of \$22,489,031.
Cost of distributing United Kingdom consumption on basis of cost of United States, \$108,933,792, as against \$36,238,129, a difference of \$72,695,663.

Mr. MADISON. Have you anything else along those lines?

Mr. RAKER. There is one thing I would like to ask about. Why did not you give us this table in regard to the cost of tea, coffee, and sugar, and the comparison for 1909 and 1910. I notice you take it for 1901, and the increase in the consumption of sugar is almost 20 per cent since that time.

Mr. PALMER. I was talking the other day with Mr. Hanger, the chief statistician of the Bureau of Labor, and he told me they have not as yet compiled, or at least have not published, figures since 1907; they are working on that now and expect by fall to publish, for the succeeding years, everything down to date. He was telling me about that the other day.

Mr. MADISON. Then you did not get the figures, because they are not accessible?

Mr. PALMER. They are not accessible.

Mr. MADISON. Is that all you have along those lines? We want to kind of hurry along.

Mr. PALMER. Well, there is but little more. Here is one little table which perhaps will be interesting. I have heard a good many questions asked in regard to the reason why wheat flour was so much higher in this country than it was in the United Kingdom. Well, I do not know that I can give you the reason, but I have figured out here, from official figures, the amount of wheat flour exported from this country and the export price; the amount of it which was imported into Great Britain and the import price, and then took their retail price of wheat flour and our retail price.

Mr. MADISON. And what are the conclusions?

Mr. PALMER. Well, it simply shows that the export price of wheat flour corresponded—that is, our export price of wheat flour corresponded very nearly with their import price of wheat flour—and that 35 per cent of their imports of wheat flour came from the United States, and yet wheat flour was sold a great deal cheaper in Great Britain than it was here, and on the same line as these other matters, in the cost of distribution.

(Table No. 26 is as follows:)

EXHIBIT PALMER No. 26.

[Compiled by Truman G. Palmer from reports of the Bureau of Labor, Foreign Commerce and Navigation, and Statistical Abstracts from the United Kingdom.]

Wheat flour.

United States exports of wheat flour to United Kingdom, 1905.....	barrels.....	¹ 2,455,667
Declared export value of same.....		\$11,458,203.00
Export value per barrel.....		\$4.66
Export value per pound.....	cents.....	2.37
(P. 99) United Kingdom imports of wheat flour, 1905.....	cwt.....	11,954,763
(P. 115) Value of same.....		£6,044,845
Amount imported.....	pounds.....	1,338,933,456
Cost of same in United States currency.....		\$29,582,003.60
Cost per pound.....	cents.....	2.21

Retail price in United Kingdom, 16.2 to 20.3 cents per 7 pounds, or 2.31 to 2.81 cents per pound, or average, 2.56 cents.

Bulletin No. 71, Bureau of Labor, page 193, number of pounds of wheat flour which \$1 would purchase in 1905, 31.49, equal to 3.17 cents per pound.

Mr. MADISON. Now, some testimony has been given here with regard to British jams, jellies, and preserves, and the use of sugar in connection with those industries. What information have you with regard to those facts?

Mr. PALMER. Yes. A great deal has been said about the cheap sugar of Great Britain advancing her jam, jelly, and preserve business, so that she did a large part of the business of the world. But I reproduce, from a statistical abstract of the United Kingdom, the imports by years, 1900 to 1909, of confectionery, including fruit and vegetables preserved in sugar, and sweetened condensed milk, both imports and exports. And the imports of confectionery, including fruits and vegetables preserved in sugar, for that period averaged £855,244, while the exports averaged £916,394, the imports being

¹ 2,455,667 barrels equals 481,310,732 pounds, or over 35 per cent of United Kingdom imports.

almost as great as the exports; and taking sweetened condensed milk, the imports averaged £1,615,000, while the total exports averaged about £723,182. So Great Britain has imported a great deal more sweetened condensed milk than she has exported, and her imports and exports on jams, jellies, and preserves are just about the same. So there is not anything to that argument that that business has been transferred.

The CHAIRMAN. Have you those things for the United States in order to make a comparison?

Mr. PALMER. No; we have no headings that compare with them in any way in any of our publications. I tried to get that.

(Table No. 27 is as follows:)

EXHIBIT "PALMER No. 27."

CHEAP SUGAR IN GREAT BRITAIN AS AFFECTING THE MANUFACTURE AND EXPORT OF CONFECTIONERY, PRESERVED FRUITS, AND SWEETENED CONDENSED MILK.

For years the free-sugar advocates have been using the argument that because of England's low sugar duty the United Kingdom has become the great exporter of jams, jellies, preserves, and a multitude of other manufactures into which sugar enters in large quantities. In their mind's eye they have seen, and they have pictured to others, ships entering British ports laden with cheap fruits, sugar, and other raw materials and other ships departing, freighted with the finished product, destined to the markets of the world. Mr. Spreckels does not fail to bring out this shopworn argument, to which he devotes three paragraphs, as follows:

"The public benefits from cheaper sugar would not end with reducing the cost of that article to the consumer. Under the present tariff the relatively high cost of sugar seriously burdens our great fruit canning and preserving industries, and by increasing the cost of these products limits their consumption in this country and practically prohibits exportations on a large scale.

"In so far as our export trade in jellies, jams, and other preserved fruits is concerned, the direct result of a lower sugar duty would be to give us a much larger share of the world's markets than we now enjoy. This is perhaps the greatest fruit-growing country in the world, but our export trade in canned and preserved fruits is relatively small, owing to the fact that we can not compete in neutral markets with countries having the advantage of cheap sugar. Preservers like the H. J. Heinz Co., of Pittsburg, have found it necessary to establish factories in England, where they secure this advantage. At present the duty on sugar in England is 1/6.6, and it is generally believed that the next budget will show that this has been still further reduced.

"A material reduction in the sugar tax would at once enable our canners to greatly increase their exports, thus creating a demand for the fruits, berries, etc., of our farmers, which now go to waste for lack of a market. It would likewise increase the demand for all products used in these industries, such as tin plate, glassware, labels, cases, etc. The advantage to our farmers and the people generally from the increased market for these products would far exceed the doubtful benefit which a very few of them now derive from the growth of sugar beets or cane."

In reply to this fallacious argument I will quote the figures of the Statistical Abstract for the United Kingdom, a somewhat more reliable publication than Mr. Spreckels's circular.

As will be seen, these figures show that for the past 10 years, during all of which time, except in 1900 and 4 months in 1901, imports of these articles have been dutiable, the imports of confectionery and fruits and vegetables preserved in sugar practically have equaled the exports, and that the British imports of sweetened condensed milk, in the manufacture of which we in

America use 150,000,000 pounds of sugar annually, have exceeded their exports by 2½ to 1. The official figures are as follows:

Imports and exports of the United Kingdom.

[From Statistical Abstract for the United Kingdom, 1909.]

	Confection- ery, includ- ing fruits and vege- tables pre- served in sugar (im- ports). ¹	Confection- ery, jams, and pre- served fruits (exports).	Milk, condensed. ¹			
			Sweetened (imports).	United Kingdom produce, condition not stated (exports).	Foreign and colo- nial pro- duce, sweetened (exports).	Total United Kingdom, foreign and colonial (exports).
1900.....	£349,619	£606,867	£1,743,675	£390,559	.....	£390,559
1901.....	578,126	749,572	1,689,810	384,484	£97,894	482,378
1902.....	680,173	846,609	1,719,144	568,244	248,739	816,983
1903.....	827,699	801,067	1,665,662	536,299	217,921	754,220
1904.....	983,839	812,213	1,539,074	607,590	174,207	781,997
1905.....	1,056,125	894,242	1,521,721	592,582	187,309	779,891
1906.....	1,100,426	1,037,572	1,519,389	665,939	144,711	810,650
1907.....	921,555	1,081,544	1,562,030	714,620	65,059	779,679
1908.....	960,302	1,092,001	1,544,194	756,568	71,023	827,591
1909.....	1,094,579	1,242,258	1,645,354	719,015	89,060	808,075
Total.....	8,552,442	9,163,945	16,150,053	5,935,900	1,295,923	7,231,823
Average.....	855,244	916,394	1,615,006	593,590	143,991	723,182

¹ Confectionery, condensed milk (sweetened), and sugar became liable to duty on Apr. 10, 1901.

It would appear from these figures that cheap sugar does not stimulate these industries as much as Mr. Spreckels and others would have us believe.

Mr. MADISON. That it all on that line, is it, Mr. Palmer?

Mr. PALMER. Yes, sir.

Mr. MADISON. Mr. Palmer, you are the secretary of the American Beet Sugar Association, are you not?

Mr. PALMER. Well, I was for nearly nine years, but they have changed the name of it; they call it the United States Beet Sugar Industry.

Mr. MADISON. Well, it is the same organization under a new name?

Mr. PALMER. Yes, sir.

Mr. MADISON. And you have visited all parts of the country in your studies of the beet-sugar situation, have you not?

Mr. PALMER. Most of them.

Mr. MADISON. Are you acquainted with the character of labor that is employed in the raising of sugar beets and the character of labor that is employed in the sugar-beet factories in the different sections of the United States?

Mr. PALMER. Yes; I know personally in regard to a good many of those places, and I recently have corresponded with all the western factories in order to get that information.

Mr. MADISON. Well, now, if you have done that I will not attempt to ask you specific questions with regard to the matter, but will ask you generally to proceed now and give the kind and character of labor that is employed in the beet-sugar industry in the United States, and I will ask my colleagues to let you proceed without interruption.

The CHAIRMAN. I would suggest, Mr. Madison, that he make it plain as to how much comes from his own knowledge and how much from hearsay.

Mr. PALMER. I issued and sent this form of letter to every factory in the West:

DEAR SIR: I am preparing an answer to the many misstatements contained in one of Mr. Lowry's circulars and desire a specific answer from each western company to the question on the inclosed sheet. Inasmuch as a general charge has been made by Mr. Lowry, it may be repeated on the floor of the Senate or House, and whether or not I use it now in reply to Mr. Lowry's circular, I feel that the exact facts should be on file in this office. I also would appreciate any observations or comments on this subject which may occur to you.

And I sent them a blank, at the top of which I quoted this paragraph from Mr. Lowry's circular:

Our high sugar tariff is directly responsible for the race differences which have arisen on the Pacific coast. Planters in Hawaii and the promoters of the beet-sugar factories, in their anxiety to take advantage of the excessive profits made possible by the high tariff on sugar, settled upon Asiatic labor as solving the question of the cheap cultivation of the fields and encouraged the Japanese to come to our shores in droves. This immigration has to-day resulted in one of the most serious problems our country has to deal with.

At that time Mr. Lowry's illustrated circular had not come out. In that circular Mr. Lowry made even broader charges. He said:

The fact that foreign labor is employed almost exclusively, both in the fields and factories, is carefully concealed.

Well, I have heard from all of those companies, except one in Arizona, one in the State of Washington, and I think two in Colorado. I sent this letter to all factories in the West, beginning with Garden City, Kans., on the east, presuming that they did not have any Asiatic labor in Michigan and Wisconsin. And the reports which I have here, and which the committee is at perfect liberty to look over—the reports from 34 factories—show that the number of laborers employed in the factories, the total number, is 7,800, and that 78 out of that 7,800 are Asiatics; 58 of those Asiatics are in California, out of a total number of laborers in the factories of California of 2,300. I asked for the average wage rate paid to both whites and Asiatics.

The CHAIRMAN. Had you not better give us, in order to save time, the location of those factories to which you have referred heretofore?

Mr. PALMER. I have given the names of the factories right down here.

The CHAIRMAN. Does your list show the location of them?

Mr. PALMER. It just shows California, Utah, and Colorado. I will put that on here. At Alameda they employ no Asiatics in the factory. The wage rate of white labor is \$2.25 a day. At Betteravia the wage rate of whites is \$2.50, and for Asiatics \$2.10. At Spreckels it is 25 cents an hour for whites, and 16 cents to 25 cents for Asiatics. I am only reading those where they employ both kinds of labor. At Hamilton it is \$2.75 a day for whites, and \$2.40 for Asiatics. At the Great Western, in Colorado, it is \$2.50 a day for both.

Mr. RAKER. This relates solely to the factories?

Mr. PALMER. Yes.

Mr. MADISON. What character of employees are employed in the factories who are Asiatics? What kind of work are they doing?

Mr. PALMER. Oh, they do—I really can not tell you. I have never seen any of them working in the factories, but I should judge that they do the more common labor. It is customary with the factories to get the bulk of their labor from the men and young men from the surrounding fields who raise beets.

Mr. MADISON. Now, go ahead.

Mr. PALMER. Now, then, I asked how many laborers were supplied to the farmers by the factories, and to classify them as to whites or Asiatics. There is only one factory in California supplying laborers to the farmers, and that is at Hamilton. They supply 20 whites and 140 Asiatics. The Amalgamated, in Utah, supplies 200 Asiatics and no whites. The Utah-Idaho, 500 Asiatics and no whites. Mr. Cutler writes a letter in which he gives the proportion——

Mr. MADISON (interposing). I remember asking him when he was on the stand about that, and he did not seem to understand the question. I thought he dodged the question as to whether any Asiatics were being used there or not.

Mr. PALMER. He wrote me a letter, instead of filling out the blank, and then he did not give me the number of people employed in the factory, and I wired him for that, and it came out exactly as I had estimated. The Holly Sugar Co. furnishes no whites, but 34 Asiatics. The Grand Junction Sugar Co. furnishes 350 whites and 50 Asiatics.

Mr. RAKER. This is field labor now, is it not?

Mr. PALMER. This is field labor. Well, there is an extra hundred in there. I made a mistake in two or three of those, which shows in the table. It makes a total of 1,970 white laborers supplied to farmers and 924 Asiatics. That is the total as received from all these 34 factories.

Mr. MADISON. Now, then, that includes only those that are furnished by the factory to the farmers?

Mr. PALMER. Yes, sir.

Mr. MADISON. Have you any information as to the character of the labor that is employed by the farmers who employ their own labor direct and do not depend upon the factory to furnish the labor?

Mr. PALMER. I asked this question, and I do not think all of them comprehended it: "What proportion of the farm labor in your vicinity is Asiatic and about how many Asiatics are so employed?" The question, I think, was not specific enough; but I will give you the answers that came in under that inquiry.

Alameda reports 33 per cent.

Mr. MADISON. Of Asiatics?

Mr. PALMER. Of Asiatics in that vicinity.

Mr. HINDS. Alameda, Cal.?

Mr. PALMER. Alameda, Cal. Oxnard reports 81 per cent of Japs and 9 per cent of Hindus.

Mr. RAKER. That is one of the bon-ton sections of California, too.

Mr. PALMER. Chino, 25 per cent of Asiatics; Spreckels, 20 per cent; Los Alamitos, practically none; Hamilton, 25 per cent; Santa Ana, small; Amalgamated Sugar Co., of Logan, one-third; Lewiston, two-thirds; La Grande, one-third; Ogden, none.

Mr. MADISON. Asiatics?

Mr. PALMER. Asiatics.

Mr. GARRETT. Lewiston, two-thirds?

Mr. PALMER. Lewiston, two-thirds. The Utah-Idaho does not give the proportion. The Great Western gives the proportion of Asiatics as $5\frac{2}{10}$ per cent; Holly gives it at 1 per cent; Grand Junction gives it at 25 out of 500.

Mr. RAKER. What is the per cent?

Mr. PALMER. At Grand Junction it is too small to be figured. At Sugar City, quoting from his report:

There are 25 to 30 Japanese distributed amongst 60,000 acres of agricultural lands on our side of the Arkansas Valley.

Mr. RAKER. Just before you pass that, now—your question and the answer would not bring out this information—that in all of these locations the Japs rent and own land and sell their beets to the factories. That you have not gotten?

Mr. PALMER. No, sir.

Mr. HINDS. Do you include Michigan there?

Mr. PALMER. No. Garden City is the farthest east that I came. I think the committee got a rather incorrect idea concerning one thing in Michigan in regard to the labor. It looks to me as though they had the idea that the Michigan people imported Russians from Russia. Well, that is not true at all. They bring the Russians from western Nebraska. There is a large colony of them out there. They are experts, and they simply bring them over in trainloads, use them through the season, and then they go back to Hastings, Nebr.

Mr. RAKER. They bring them from abroad directly to Nebraska and unload them, and then ship them back——

Mr. PALMER. They do not bring them there.

Mr. RAKER. Well, they come there.

Mr. PALMER. They come there; yes.

Mr. RAKER. We do not want to be too touchy on the word "importation." I did not use it technically, under the statute, at all.

Mr. HINDS. These Russians have their permanent home in Nebraska?

Mr. PALMER. Yes, sir.

Mr. HINDS. Are they these Doukhobors, if that is the correct pronunciation, such as are employed in such large numbers in Canada?

Mr. PALMER. I do not know.

Mr. MADISON. You do not know whether they are Slavs or Germans?

Mr. PALMER. I should judge that the bulk of them are Germans, because wherever I have come in contact with any of them they speak the German language.

Mr. HINDS. That is, they probably come from the Baltic Provinces of Russia, which were once German?

Mr. PALMER. I should judge so. I have no knowledge on it.

Mr. MADISON. There is large emigration from those Provinces to this country.

Mr. RAKER. That is the very cheapest labor, is it not?

Mr. PALMER. We do not find it so.

Mr. RAKER. That is, the Slavs and Russians that go to Michigan?

Mr. PALMER. No; they are not hired because of their cheapness, Judge. They are hired because of their expertness.

Mr. GARRETT. They employ them in the factories, do they?

Mr. PALMER. No; this is field labor that I am just speaking of.

Mr. GARRETT. You mean that they employ those Russians that are carried from Nebraska to Michigan, for field labor?

Mr. PALMER. For field labor; yes, sir. Right in that connection——

Mr. RAKER. Just before you pass that I want to ask one question there. This information of course comes from those directly interested?

Mr. PALMER. Yes, sir.

Mr. RAKER. Not under oath?

Mr. PALMER. Not under oath.

Mr. RAKER. And they are interested in keeping down the fact that the sugar industry and these various industries where they employ such labor, are employing Japanese and Hindus, and cheap labor. Is not that right?

Mr. PALMER. I do not know that they are. I did not indicate any such thing in my letter.

Mr. RAKER. No; but it is a fact, generally speaking, where corporations employ a great deal of help—this Japanese and Hindu and Mexican labor, and negro labor, and the cheap foreign labor that comes directly here; not for that purpose, but they come here——

Mr. PALMER. Yes.

Mr. RAKER. And then go into the fields. It is a matter of fact that these people are not anxious that the American public should know just what kind and character of labor they employ. Is not that right?

Mr. PALMER. I should presume that was so in all industries as a general proposition.

Mr. RAKER. That is all. Go ahead.

Mr. PALMER. I want to call the committee's attention to one thing right in this connection. Mr. Spreckels reproduced from the Beet Sugar Gazette a photograph. He labels it, "Photograph of beet-sugar laborers in Germany." It says:

This is a reproduction from a photograph which appeared in the American Sugar Industry and Beet Sugar Gazette of April, 1911.

It shows them in gala attire, as they should be, and if Mr. Spreckles had reproduced the inscription which was under the picture in the Beet Sugar Gazette, there would have been no criticism at all. That inscription is this:

After the beet harvest is over in Germany the laborers run races, each pushing a wheelbarrow decorated with beet leaves. Those who come in first receive prizes.

Why, of course, those fellows are dressed up. They are having a holiday.

The CHAIRMAN. Does not the picture show for itself that they are German beet laborers?

Mr. PALMER. Yes; they are German beet laborers.

The CHAIRMAN. If they are in holiday attire, can not the eye tell it from the picture? In other words, you make your criticism because he does not make the argument that you make.

Mr. PALMER. No; I do not ask him to make any argument; but if he would say: "Beet-sugar laborers in holiday attire"——

The CHAIRMAN. If they are in holiday attire, does it not show for itself? Does not the picture speak for itself? They are beet-sugar laborers in Germany, are they not?

Mr. PALMER. They are supposed to be.

Mr. RAKER. Did you ever see a crowd of Hindus and Japanese in holiday attire?

Mr. PALMER. No.

Mr. RAKER. Or Hawaiians? I would like to have a picture of those.

Mr. MADISON. You might be fooled on the Hawaiians. They are well attired. You can see some pretty fine looking people there.

The CHAIRMAN. Hawaiian field laborers?

Mr. MADISON. As a matter of fact they are fine people physically; and in holiday attire they would make a good appearance.

The CHAIRMAN. They adorn themselves with clothing?

Mr. MADISON. They adorn themselves with flowers, etc.

(The table above referred to, marked "Palmer No. 28," is as follows:)

EXHIBIT "PALMER No. 28."

WHITE AND ASIATIC LABOR IN BEET-SUGAR FIELDS AND FACTORIES.

One Frank C. Lowry, a sales agent for the Federal Sugar Co., poses as "secretary of committee of wholesale grocers."

On the stand, Mr. Lowry admitted under oath that the so-called members of this so-called committee did not of their own volition organize any such committee or employ said Lowry as secretary; that they never have had a meeting, initial or otherwise; that they pay no dues, and that no member of this so-called committee ever has contributed a dollar to the expense of the campaign for free sugar which Mr. Lowry has waged for three years. He swore that his sole contributor was his employer, the Spreckels Sugar Co., which had expended some \$12,000 in this work. It thus appears that the alleged committee of wholesale grocers is a myth, and that the names of these people and the name of Mr. Lowry are used as a blind for the purpose of deceiving the public and making it believe that the policy advocated in the circulars printed under the caption "Committee of wholesale grocers," is being conducted by an organized body of national character, whereas the movement was organized by one man, and the total expenses are met by one man, or one company, the Federal Sugar Refining Co., of which Mr. C. A. Spreckels is the head.

As might be expected of a man who endeavors to conceal his identity by hiding under a cloak of his own construction and made to appear to be something which it is not, the statements made in this literature are misleading and untrue.

In one of these circulars it is stated:

"For years it has been the claim of promoters of our domestic beet-sugar industry that our infamous sugar tariff, equal to an ad valorem rate of 78.87 per cent must be continued so as to protect the high-priced American laboring man. The fact that foreign labor is employed almost exclusively, both in the fields and factories, is carefully concealed. The accompanying photographs show how Japanese and Hindus, who never will become citizens of this country, are employed in this work."

When this circular came to my notice I wrote to each sugar company west of the Missouri River, inclosing a blank for them to fill out. I have heard from all of the factories located on the Pacific coast, except a small factory in northeastern Washington, and practically all of the others, a total of 34 out of 38.

From the blanks received, I have prepared the following table, which shows that out of a total of 7,800 men employed in these factories, but 78, or exactly 1 per cent, are Asiatics, and that of the farm labor furnished farmers by sugar companies, 1,970 are white laborers, and 924 are Asiatics.

These less than 3,000 white and Asiatic laborers furnished the farmers perform but a mere fraction of the work involved in producing the beets to supply these 34 factories. In most cases the percentage of Asiatic labor in the various communities is given as well as the wage rate for both classes, in both field and factory.

White and Asiatic labor and wage rates in western beet-sugar territory.

[Compiled by Truman G. Palmer, from reports received direct from sugar companies.]

Names of companies or locations of factories.	Number of factories.	Number of laborers employed in factories.		Average wage paid to common labor.				Laborers supplied to farmers.	
				White.		Asiatic.		White.	Asiatic.
		White.	Asiatic.	Per day.	Per hour.	Per day.	Per hour.		
Alameda, Cal.....	1	1 200	None.	\$2.25	.....	.....	.....	None.	None.
Betteravia, Cal.....	1	1 170	30	2.50	.....	\$2.10	.....	None.	None.
Oxnard, Cal.....	1	700	None.	2.40	.....	.....	.....	None.	None.
Chino, Cal.....	1	300	None.	2.50	.....	.....	.....	None.	None.
Spreckels, Cal.....	1	300	16	.....	\$0.25	.....	\$0.16-\$0.25	None.	None.
Los Alamitos, Cal.....	1	200	None.	.....	.20	.....	.....	None.	None.
Hamilton, Cal.....	1	300	12	2.75	.....	2.40	.....	20	140
Santa Ana, Cal.....	1	200	None.	2.00	.....	.....	.....	None.	None.
		2,300	58	.....	.....	.....	.....	.....	.....
Amalgamated, Ogden, Utah.....	4	900	None.	2.50	.....	.....	.....	.....	200
Utah-Idaho, Salt Lake, Utah.....	6	1,800	None.	.....	.....	.....	.....	.....	500
Great Western, Colo.....	11	3,300	(4)	2.50	.....	2.50	.....	.....	34
Holly, Colo.....	2	500	20	.....	.20	.....	.20	350	50
Grand Junction, Colo.....	1	250	None.	2.75	.....	.....	.....	100	.....
Sugar City, Colo.....	1	350	None.	.....	.18	.....	.....	None.	None.
Garden City, Kans.....	1	400	None.	.....	.30	.....	.....	1,500	None.
Total.....	34	7,800	78	.....	.....	.....	.....	1,970	924

Names of companies or locations of factories.	Asiatic labor employed in vicinity.		Average wage paid for field work.	
	Proportion to white.	Number.	White.	Asiatic.
Alameda, Cal.....	33 per cent.....	200	\$1.65 to \$2.....	\$1.65 to \$2.
Betteravia, Cal.....	.....	350	\$1.90 to \$2.50.....	\$1.90 to \$2.50.
Oxnard, Cal.....	Japanese, 81 per cent; Hindus, 9 per cent.	600	Piecework; make \$3.	Piecework; make \$3.
Chino, Cal.....	25 per cent.....	250	\$1.75 to \$2.....	\$1.75 to \$2.50.
Spreckels, Cal.....	20 per cent.....	500-1,200	\$40 to \$45 per month.	16 to 25 cents per hour.
Los Alamitos, Cal.....	Practically none...	20	.....	.....
Hamilton, Cal.....	25 per cent.....	140	\$2.25.....	\$2.40.
Santa Ana, Cal.....	Small.....	.....	Paid by the acre....	Paid by the acre.
Amalgamated, Ogden, Utah.....	(5).....	.....	\$2 ⁶.....	.....
Utah-Idaho, Salt Lake, Utah.....	.....	.....	\$2 to \$2.50.....	.....
Great Western, Colo.....	5.2 per cent.....	1,220	(7).....	(7).
Holly, Colo.....	1 per cent.....	.....	\$1.....	\$1.
Grand Junction, Colo.....	25 out of 500.....	.....	(8).....	(8).
Sugar City, Colo.....	(9).....	.....	.....	.....
Garden City, Kans.....	None.....	.....	25 cents per hour....	None.

¹ 35 during idle season.

² Idle season: 55 white, 5 Japanese.

³ Estimated by Truman G. Palmer (since confirmed by wire)

⁴ Practically none.

⁵ At Logan, $\frac{1}{2}$; Lewiston, $\frac{1}{2}$; La Grande, $\frac{1}{2}$; Ogden, none.

⁶ Contract work, \$17.50 per acre.

⁷ Contract work, \$20 per acre.

⁸ Contract work.

⁹ "There are 25 to 30 Japanese distributed amongst 60,000 acres of agricultural lands on our side of the Arkansas Valley."

White and Asiatic labor and wage rates, etc.—Continued.

Names of companies or locations of factories.	What furnished in addition to wage.	
	White.	Asiatic.
Alameda, Cal.....	Sleeping accommodations.....	Sleeping accommodations.
Betteravia, Cal.....	do.....	Do.
Oxnard, Cal.....	Firewood.....	Firewood.
Chino, Cal.....	Nothing.....	Nothing.
Spreckels, Cal.....	Board and lodging.....	Sleeping accommodations.
Los Alamitos, Cal.....	Nothing.....	
Hamilton, Cal.....	\$2.25 covers board at 60 cents per day.	No board.
Santa Ana, Cal.....		
Amalgamated, Ogden, Utah.....	House rent and fuel.....	Camping place and fuel.
Utah-Idaho, Salt Lake, Utah.....		
Great Western, Colo.....	House and water.....	House and water.
Holly, Colo.....	Board.....	Board.
Grand Junction, Colo.....		
Sugar City, Colo.....		
Garden City, Kans.....	Labor houses to live in.....	

Mr. MADISON. Is there anything further?

Mr. PALMER. Just one thing. I have taken here and worked out a table on the wholesale cost of the United States sugar consumption in 1910, and the cost of like consumption of sugar, if paid for on the basis of the European wholesale prices for domestic consumption.

The CHAIRMAN. Is there any possible condition under which we could pay the wholesale price on sugar that we import from England?

Mr. PALMER. This is what our sugar would cost us at wholesale—

The CHAIRMAN. What is the value of that to the committee? It is inconceivable that such a condition should ever come about under any tariff, is it not? What we are interested in is the export price over there, and not the local price.

Mr. PALMER. But it is of some interest when you make the argument that there would be a saving of 2 cents a pound on the sugar that the people are ground down on, on account of the tariff.

The CHAIRMAN. But that is an erroneous basis—to begin with the British wholesale prices.

Mr. PALMER. I beg your pardon.

The CHAIRMAN. Is it not an erroneous basis, to begin with the wholesale local price in any country? In other words, is not the export price the true basis?

Mr. PALMER. No; it is not. The true basis is what a man has to pay in the market for sugar.

The CHAIRMAN. I understand that. I am leaving out the Englishman entirely, but am looking at what the American would pay.

Mr. PALMER. I have given you that. That is one angle of it. I have given that in another table. I have given the absolute figures. This is looking at it from another angle.

The CHAIRMAN. I thought you had not given that table. You said you would get it up.

Mr. MADISON. He did; I remember that very well.

The CHAIRMAN. What table is that?

Mr. PALMER. I have not kept any note of the numbers.

The CHAIRMAN. Oh, I have it.

Mr. PALMER. This is looking at it in an entirely different way.

Mr. MADISON. I did not exactly catch the angle. What does your table show? My attention was distracted for a moment.

Mr. PALMER. This table shows the wholesale price of sugar abroad in various countries for domestic consumption, including in those countries the excise tax on sugar, as in this country and in Canada, and in Great Britain we include the duty on sugar, showing what the amount of sugar that we consume would cost at wholesale—at the wholesale prices paid in those various countries.

The CHAIRMAN. And including their taxes?

Mr. PALMER. Including their taxes; and including Great Britain, which is lower than we, and including Canada, which is lower than we.

Mr. MADISON. I think the table ought to be admitted.

The CHAIRMAN. Certainly.

Mr. MADISON. It is right along the line of our investigation. We have sent inquiries abroad that tended to develop facts of that character. This comes right in that connection.

The CHAIRMAN. Undoubtedly.

Mr. MADISON. In other words, it is one of the elements in making up the retail price.

The CHAIRMAN. I have no objection to that; but that is not the price the American importer would pay, under any conceivable circumstances.

Mr. RAKER. Where did you get your data to make that from?

Mr. PALMER. I have given it.

Mr. RAKER. You have given it?

Mr. PALMER. I have given it on there.

Mr. RAKER. That is all right, then.

Mr. PALMER. The wholesale prices of sugar in the principal markets are taken from Senate Document No. 55, Sixty-second Congress, first session, prepared by the Department of Commerce and Labor.

Mr. RAKER. Senate Document No. 55?

Mr. PALMER. Senate Document No. 55. I will give you one, Judge. I have a couple of them.

Mr. RAKER. Yes; I have this one.

(The table above referred to, marked "Palmer No. 29," is as follows:)

EXHIBIT "PALMER No. 29."

WHOLESALE COST OF UNITED STATES SUGAR CONSUMPTION IN 1910 AND COST OF LIKE CONSUMPTION OF SUGAR IF PAID FOR ON BASIS OF EUROPEAN WHOLESALE PRICES FOR DOMESTIC CONSUMPTION.

The following table gives the average wholesale price of sugar in the United States and certain other countries in 1910. In the United States, the United Kingdom, and Canada the quotations necessarily include not only the import cost of the sugar, but the import duty, and with the other countries they include the internal or excise duty. In all cases these quotations, plus the cost of local freight and wholesalers' and retailers' margins for distribution, represent the price which local consumers paid for sugar in 1910.

The table shows the total wholesale cost of our 1910 sugar consumption and what would have been the cost if paid for at foreign wholesale prices; also the cost per family, on the basis of 268½ pounds per family, as given by the Bureau of Labor.

The wholesale figures for foreign countries are from Senate Document No. 55, Sixty-second Congress, first session, "Wholesale prices of sugar in the principal markets," prepared by the Department of Commerce and Labor.

As given by Willett & Gray, the United States 1910 consumption of sugar was 3,282,938 tons of 2,240 pounds.

The average cost of distributing sugar in the United States from 1890 to 1907 was 93 cents per 100 pounds, which, applied to our 1910 consumption, amounted to \$68,383,598. The cost of distribution is not included in any of the following figures:

Wholesale cost of United States sugar consumption in 1910 and cost of like consumption of sugar if paid for on basis of European wholesale prices for domestic consumption.

[Compiled by Truman G. Palmer.]

Countries.	City where quoted.	Sugar designated.	Whole-sale price per pound.	Total cost of United States 1910 consumption, at United States price and at prices prevailing in foreign countries.	Foreign cost in excess of United States cost.	Cost per family. ¹	
						Total.	In excess of United States cost.
			Cents.				
United States.....	New York.....	Granulated.....	4. 972	\$365, 620, 805		\$13. 35	
United Kingdom.....	London.....	Tate'scubes, No. 1.	4. 67	343, 428, 144	² \$22, 192, 661	12. 54	² \$0. 81
Canada.....	Montreal.....	Extra granulated..	4. 96	364, 734, 411	² 886, 394	13. 32	² . 03
Germany.....	Magdeburg.....	Refined, lump....	5. 11	375, 765, 083	10, 144, 278	13. 72	. 37
France.....	Paris.....	Refined in loaves..	6. 28	461, 810, 888	96, 190, 083	16. 86	3. 51
Austria.....	Vienna.....	Prime refined....	7. 43	546, 379, 371	180, 758, 566	19. 95	6. 60
Russia.....	St. Petersburg.	Refined.....	7. 77	571, 395, 358	205, 774, 553	20. 86	7. 51
Spain ³	Barcelona.....	Prime granulated.	9. 56	703, 008, 343	337, 387, 538	25. 67	12. 32
Italy ³	Genoa.....	Refined.....	11. 60	853, 038, 609	487, 417, 804	31. 15	17. 80
United Kingdom ²	London.....	Lyle's granulated, No. 1.	4. 24	311, 813, 451	² 53, 807, 354	11. 38	² 1. 97

¹ Wholesale cost; does not include cost of distribution.
² The quotations for Lyle's granulated are from C. Czarnikow's Weekly Price Current.
³ 1909.

NOTE.—The average retail price of sugar per pound in leading European cities, 1904 to 1907, was as follows: Naples, 13.5 cents; Milan, 13.5 cents; Amsterdam, 9.4 cents; Madrid, 8.9 cents; Stockholm, 7.6 cents; Vienna, 7.2 cents; Budapest, 7.2 cents; Paris, 6.3 cents; Dresden, 6 cents; Bremen, 5.9 cents; Brussels, 5.8 cents; Copenhagen, 5.6 cents; average of all, 8.07 cents. (Secretary Wilson in S. Doc. No. 22, 61st Cong., 1st sess.)
During the same period the average retail price of sugar throughout the United States was 5.74 cents, the foreign retail price being more than 40 per cent in excess of the United States retail price.

Mr. MADISON. Have you ever gone into the question of the relative retail prices of sugar in this country and the principal European nations?

Mr. PALMER. Well, I have looked through the Bureau of Labor reports. I have not prepared a table on sugar. It is given for one year in Great Britain, and it is given for another year in Belgium and for another year in Germany. I think those two countries and Great Britain and ours are the four countries now covered by the British Board of Trade. If you desire that I can look that up.

Mr. MADISON. They are in the report of the Bureau of Labor?

Mr. PALMER. The are in reports of the Bureau of Labor. As they came out, one each year, the Bureau of Labor reviewed them.

Mr. MADISON. We can get those without having you go to that trouble. Now, I will just ask you a few general questions, and then, so far as I am concerned, I am through with the matter. The evidence before us shows that the beet-sugar industry in this country has been developing somewhat slowly, but developing more and more year after year, until at the present time we produce probably between one-sixth and one-seventh of the total consumption of the country. Now, it is important to determine what the future of the industry is, and to what extent it may be developed in this country,

and what the price of sugar to the consumer will ultimately be under the continuance of a system whereby beet sugar will be protected to such a degree that it may go on and ultimately produce a very large per cent of the total amount consumed—say 60 to 70 per cent. What information can you give us from your experience, from your work, with regard to the future in this country, and what will be needed to build it up, and what the ultimate effect of building it up will be to the American consumer, and what the cost to him will be?

Now, I will ask you to proceed, and I will ask my colleagues to give you an opportunity to answer that without interruption, and then examine you later.

Mr. PALMER. The beet-sugar industry was promoted in this country as early as 1830, but it was a failure in various States, Eastern as well as Western States, until E. H. Dyer erected a factory at Alameda, Cal., and produced a few hundred tons of sugar a year; finally, in 1888, producing 1,000 tons for the first time in our history. But capital did not seem anxious to go into the industry until the passage of the Dingley Act. The sugar schedule in the Dingley Act was framed for the purpose of building up a home sugar industry, and as soon as that was passed capital flocked into the industry; and for some years there any community that could get 2,000 acres of beets signed up for two or three years could get a half million dollar plant dropped into it. At the time the Cuban reciprocity agitation came up we had, according to Government reports, 86 projected factories, to cost \$49,000,000; and that report did not include one that I was projecting myself, in California, at that time. This agitation came up. I know that in my own case we had \$750,000 of bonds pledged, agreed to be taken, but when that agitation came up our people got cold feet. They would not do a thing until they saw what was going to become of it. And of those 86 projected plants, 80 were abandoned. Six were so far along that they could not stop, and had to go on and build them; and only two or three of them have been since built, of that particular list. But we recovered and righted ourselves, and capital began to go into the industry again. Then in 1906, we sent our troops into Cuba for the second time. At that time we had 60 projected plants in the United States. Most of those were abandoned. I am speaking now of the projected plants, as given in Mr. Saylor's report, of the Department of Agriculture. Those were abandoned; and then they started in again a little later, and then there came up the tariff agitation. They did not know what was going to be done, and it is impossible to say what the outcome of the industry will be until such time as Congress comes to a conclusion either that it is going to support the home industry or that it is not. If the people could have assurances that the industry was not going to be touched for a period of years, you would have capital going into the industry with a rush; but there is nothing so timid as the almighty dollar; and just so long as the thing is being stirred up here, first with one thing and then with another, money will not go rapidly into the industry.

Mr. MADISON. Under the present system, whereby capital is protected by a considerable duty on raw and refined sugar, is it not true that the product of beet-sugar factories is proving very valuable—that profits are being made of a considerable degree, as indi-

cated in the case of the Watsonville factory, where Mr. Spreckels testified to a profit of 80 per cent?

Mr. PALMER. If I remember, Mr. Spreckels's testimony was in regard to the early campaign of the Watsonville factory—80 per cent—and I have just been handed a letter from Mr. J. D. Barry in confirmation of a telegram. He says:

Net profit, Watsonville campaign, 1888, 1889, \$11,075.38; campaign of 1889-1890, \$23,550.23. Books San Francisco office were destroyed, but Hannan says sufficient information at Spreckels to show the above figures, which are absolutely correct."

Mr. MADISON. The capitalization of the Watsonville factory, according to Mr. Spreckels, was \$500,000. He says, in his testimony given before us in New York:

There was \$400,000 of actual cash paid in, so they got more than the capital back within two years by \$100,000.

Mr. PALMER. I have a memorandum in a book that I prepared the bulk of something over 10 years ago, in which I gave the Watsonville figures from 1888 to 1897. Their first year, 1888, they had a total acreage of beets of 2,100. They worked 14,845 tons of beets. The average acreage tonnage was 7.07. The next year they had 1,778 acres of beets, and worked 13,472 tons; and the average acreage tonnage was 7.58. The pounds of sugar produced in 1888 were 2,800,000; in 1889, 3,170,000. Now, I do not know what prices they got for the sugar, but if they made 80 per cent on their capital in those two years, with a production of less than 6,000,000 pounds of sugar, they must have had a market for sugar at 10 or 15 or 20 cents a pound.

Mr. MADISON. Now, counting the sugar at the highest price that could have ruled in California in those years, what would have been the total value of the product?

Mr. PALMER. Well, I have the New York price of sugar for those years. I have not the California.

Mr. MADISON. Well, add 1 cent for the difference.

Mr. PALMER. Mr. Oxnard tells me that that was raw sugar that they made; but I will make it 8 cents a pound on their 1888 production. They made, at 8 cents a pound, \$224,000 worth of sugar in 1888.

Mr. MADISON. How much?

Mr. PALMER. \$224,000 worth.

Mr. MADISON. Well, but he says they made a profit of \$400,000 that year.

Mr. PALMER. I say they must have gotten 15 or 20 cents a pound for their sugar if they did it.

Mr. MADISON. 80 per cent of \$500,000 is how much? It is \$400,000, is it not?

Mr. PALMER. Yes, sir.

Mr. RAKER. Where did you get your figures?

Mr. PALMER. I have not a memorandum as to where I got the figures. They have been there for 10 years. I have not looked at them until the other day.

Mr. HINDS. This testimony that you have referred to is that on page 2284 of the record, in answer to my question asked Mr. Spreckels?

The CHAIRMAN. Yes.

Mr. MADISON. His testimony is specific:

The first year of its operation it made 12 per cent. The following year it made 80 per cent. It was capitalized at \$500,000. There was \$400,000 of actual cash paid in, so they got more than the capital back within two years by \$100,000.

Mr. PALMER. Adding 1 cent a pound to the prevailing New York price of sugar during those two years—presuming that they got a cent a pound in excess of the New York price during the two years—they produced \$496,620 worth of sugar.

Mr. MADISON. How much?

Mr. PALMER. \$496,620 worth.

The CHAIRMAN. Where did you say you got those figures on production?

Mr. PALMER. You can look at those figures and see the detail with which they are put in there. I have not looked at them for 10 years.

The CHAIRMAN. You can not put figures like that against the memory of the man who owned the plant, and who knew what they did, and got the dollars out of it.

Mr. PALMER. Those figures can not be far out of the way, figured in such detail.

The CHAIRMAN. They are bound to be, unless Mr. Spreckels is deliberately misrepresenting things to the committee.

Mr. PALMER. Mr. Spreckels may have forgotten.

The CHAIRMAN. You do not know where you got those figures, and you may be wrong about it too.

Mr. PALMER. He would have had to have had thousands and thousands of acres in beets to have produced enough sugar to have cleaned up \$400,000 in two years.

The CHAIRMAN. That is what he says they did, anyhow; no matter how they did it.

Mr. PALMER. I think Mr. Spreckels was flatly mistaken.

Mr. RAKER. Where did he get all this money from?

Mr. MADISON. Wait a minute. Can you figure out for us how many pounds of sugar he would have had to have produced at the ruling prices at that time, in order to have made \$500,000 in two years? Or, just take the one year of 1888, when he cleaned up \$400,000, according to his testimony. That is the big story—the 80 per cent. Twelve per cent was the first year, which might not be unreasonable. But I am not undertaking to say that Mr. Spreckels was mistaken, or forgot, or lied, or anything of that kind. We simply want to know the facts. How many pounds of sugar would he have had to have produced in order to have done that?

Mr. PALMER. Based on a profit of how much a pound? A cent a pound, two cents a pound, or what?

Mr. MADISON. Give him the very largest amount that he could possibly have received, with the ruling prices at that time, and then take the capacity of his plant, and see if he could have produced it?

Mr. HINDS. If you will excuse me, I think Mr. Spreckels testified that his father said that beet sugar could be produced in California for—was it 3 cents a pound?

The CHAIRMAN. Two and a half cents a pound.

Mr. HINDS. Take the basis that Mr. Spreckels's father said beet sugar could be produced at. That would be a fair basis, would it not?

The CHAIRMAN. I should say so.

Mr. RAKER. And then they sold it for 6 cents.

The CHAIRMAN. Add 1 cent above New York, and take the New York price. Say that they produced it at $2\frac{1}{2}$ cents, and see what it would be.

Mr. PALMER. The New York price was 7 cents.

The CHAIRMAN. Add 1 cent.

Mr. PALMER. That makes 8 cents. He produced at a cost, his father says, of $2\frac{1}{2}$ cents?

The CHAIRMAN. Yes. That is $5\frac{1}{2}$ cents profit.

Mr. PALMER. That is $5\frac{1}{2}$ cents profit; and he made \$400,000?

Mr. MADISON. He made \$400,000 in one year.

The CHAIRMAN. I think we had better take a recess until 2 o'clock.

Mr. MADISON. I would suggest, if we take a recess until 2 o'clock, that it will allow Mr. Palmer time to figure out the various angles to that question.

The CHAIRMAN. All right. Take until 2 o'clock, Mr. Palmer, to figure on that.

Mr. MADISON. Here is Mr. Spreckels's testimony [indicating]. Find out how many acres of beets that would require, and how many pounds of sugar, and what the capacity of his plant was at that time. Find it certainly. If you have any question about it, make a big plant out of it.

(The committee thereupon, at 12 o'clock m., took a recess until 2 o'clock p. m.)

AFTER RECESS.

TUESDAY, AUGUST 1, 1911.

The committee reconvened at 2.30 o'clock p. m., Hon. Thomas W. Hardwick (chairman) presiding.

TESTIMONY OF MR. TRUMAN G. PALMER—Continued.

Mr. MADISON. Mr. Palmer, you may give the committee, in your own language and in your own way, the results of your figures.

Mr. PALMER. I found something confirming the figures which I gave the committee this morning from my memorandum book. I want to say in regard to my not putting down the authority that at the time I was making those compilations I did not hold any official position with any organization. I was simply gathering those figures for my own use, and I was not as careful as I am now about quoting my authority. I was as careful about the authority. But I have looked up Willett & Gray, of December 18, 1890, and they say, concerning this factory:

The Western Beet Sugar Factory, established in 1887, at Watsonville, began manufacture in 1888, producing in that year 1,640 tons (2,000 pounds) from 14,077 tons beets (2,000 pounds). The average polarization of beets was 14.60 and the average sugar recovered 11.65 per cent; \$5.04 was paid for beets per ton and 5.64 cents per pound obtained for the sugar, which averaged 95.40 polarization. The factory run 61 days and employed 135 men. The company produced 1,585 tons (2,000 pounds) in 1889 out of about 16,000 tons beets cultivated. Its present capacity is 300 tons beets a day. The farmers made considerable money in 1889, and put in larger crops in 1890. A movement was also made to establish the industry in Los Angeles and other places during the year.

Now, in this year when they paid \$400,000 in dividends they made 3,170,000 pounds of raw sugar. They did not make white sugar. That sugar was raw sugar and was sent to the refinery.

The CHAIRMAN. What year was that?

Mr. PALMER. That is 1889.

The CHAIRMAN. That is the year you think Mr. Spreckels refers to?

Mr. PALMER. Yes.

The CHAIRMAN. It looks so to me.

Mr. PALMER. Yes. The price which they got for their sugar, according to Willett & Gray, in 1888, was 5.64 cents. Willett & Gray do not give the price that they got for their sugar in 1889, but the price of sugar in 1889 was lower than it was in 1888. But figuring that they got the same price in 1889 that they got in 1888, their total receipts from sugar were only \$179,788, and they used 16,000 tons of beets, for which they paid——

The CHAIRMAN. \$5 a ton?

Mr. PALMER. Yes; \$5 a ton. It was absolutely impossible to have made any such dividend as that. I do not think they made a cent. It does not look like it.

Taking the New York price on a raw basis, to have made that amount of money above the cost of production, which you say Mr. Spreckels put at 2½ cents a pound, they would have had to have produced 11,000,000 pounds of sugar, and they only produced 3,170,000 pounds. Of course there were not many factories at that time, but the total production of the United States was only 4,168,000 pounds. Yet they would have had to have made 11,000,000 pounds to have made any such dividend as Mr. Spreckels speaks of.

Mr. MADISON. Those are the only figures that you have made on that? That completes the statement?

Mr. PALMER. Yes, sir. I figured it out in the way that you suggested, Judge Madison, taking it that it was refined sugar and taking the San Francisco price as being a cent above the New York price; and even if it had been that, they would have been obliged to make 6,163,000 pounds to have made \$400,000, as against 3,170,000 pounds, which they did make. But it was not refined sugar; it was raw sugar. It is so stated by Willett & Gray.

And not only that, here was the statement. John D. Spreckels was interested at the time, and he says, on page 952 of your record, volume No. 12, as follows:

Mr. RAKER. And when you established the Spreckels factory at Salinas you abandoned the one at Watsonville?

Mr. SPRECKELS. It was taken in by the Spreckels Co.

Mr. RAKER. It had been in business quite extensively before—the Watsonville factory?

Mr. SPRECKELS. Yes, sir.

Mr. RAKER. And shipped its products to the other States—into Nevada and Oregon and Utah?

Mr. SPRECKELS. That is a good many years ago. It had to ship wherever it found a market. Pardon me one moment. Come to think of it, the Watsonville factory never produced sugar that was put on the market, but it was sold through the California refinery.

Mr. RAKER. I see.

Mr. SPRECKELS. In our own State to the refinery. It was sold on the same basis as the raw sugar from Hawaii was sold.

So, how in the world you would get \$400,000 out of that \$108,000 I am unable to see.

Mr. MADISON. I asked you rather a long question and you have only covered a portion of it. You have answered as to the things that are necessary in order for the beet-sugar industry to be developed. Now, you may go ahead and tell us what, in your judgment, will be the result if a permanent condition of affairs is established in the country favorable to the beet-sugar industry; what development it is capable of.

Mr. PALMER. Why, the well-defined beet-sugar soil of this country, according to Secretary Wilson, as given in this Senate Document No. 22, is sufficient in amount so that if one acre of sugar land out of fifty were planted one year in four we would produce our own sugar; so that there is no question about the area. And there would be no question about capital going into the industry if a condition of reasonable permanency could be assured.

Mr. MADISON. What is the average cost of production of a pound of beet sugar to-day, if you know? I am not asking you for first-hand information, but what your understanding is from the beet men who are engaged in its manufacture.

Mr. PALMER. Well, the fairest thing that I know of is to take what I gave you from the census.

Mr. MADISON. Yes.

Mr. PALMER. Which brings it down to 3.68 cents and a fraction over, if I remember.

Mr. MADISON. Yes. Is that cost of production capable of reduction in the future, and to what sources can you reasonably look for such reduction?

Mr. PALMER. The great cost of producing beet sugar—the main cost—of course, is the beets. We should produce, and can produce, more beets per acre for the same amount of effort than we produce now; and when our farmers get to using better cultural methods and get to understand the indirect benefits of beet culture—that by bringing sugar beets into their general rotation they can grow a much greater quantity of all other crops—I think it is reasonable to suppose that the price of sugar beets will be reduced, as it was in Germany, as shown by that consular report of Consul Dietrich, where, I guess, it was within a period of about 15 years they were reduced from \$5 a ton to \$4.

Mr. MADISON. What is the average price now that is paid for beets in this country?

Mr. PALMER. \$6. That includes the beets laid down at the factory. In most cases the factory pays the freight.

Mr. RAKER. What do you base that statement on? Have you the table that you base that on?

Mr. PALMER. The \$6?

Mr. RAKER. Yes; the \$6.

Mr. PALMER. I base that on the average of all the figures that were quoted to you by Mr. Oxnard, Mr. Warren, Mr. Morey, and Mr. Cutler. According to Senate Document No. 22, Sixty-first Congress, first session, a document prepared by Secretary Wilson, which brought it down to 1908, the price for beets had increased from \$4.10 in 1897 to \$5.35 in 1908.

Mr. MADISON. Does the farmer find it profitable to grow beets at \$5 and \$6 a ton?

Mr. PALMER. Yes; he does find it profitable. There is one thing that I think a good many farmers consider. It is a little different from a cereal crop in this: That a farmer puts in a cereal, and if he should have a drought or other disaster there is not any very great loss. But if he should lose a crop of beets there is a considerable financial loss; so that he must get, under ordinary circumstances, more profit—not considering the indirect advantages he must get more profit on beets—for his labor than on other crops to cover that risk, although it is a crop in which there is as little risk as in anything. It will stand more drought and it will stand more excessive moisture than almost any other crop.

Mr. MADISON. You obtain your beet seed from abroad, do you not?

Mr. PALMER. Yes, sir.

Mr. MADISON. I think an explanation of that has been given. You might repeat it briefly to refresh our recollection, why it is that you do not produce your beet seed in this country.

Mr. PALMER. The sugar-beet seed is the most scientifically developed seed in the world. There is not anything that I know of to compare with it. They originally got but 3 and 4 per cent, and they started in, in Europe, to breed that seed up, and they have bred it up to 16, 17, and 18 per cent, by selection. I do not know whether you care to go into the way that they breed it up.

Mr. MADISON. No.

Mr. PALMER. But they are exceedingly careful over there. For instance, you take the Klein-Wanzleben people, located at Klein-Wanzleben, near Magdeburg; they can show you a photograph of every mother beet they have grown for the last 20 years, and every one is registered. When I was there they suggested whether there were any beets I would want to see, and they said, "If there are, let us know." I said, "Give me No. 466,000"—whatever it was—and within just a few moments' time, here was the photograph of this mother beet, with the record of it, just what had been done, and the care that it is necessary to exercise, and the science put into it in the matter of sugar-beet seed is almost beyond the patience of American people. Now, that is the fact about it. We want to do things in a hurry; just as out in Judge Raker's State they make wine out there, and they are in a hurry to sell it, and they put it onto the market long before it is well matured. I think they would make more money if they held it and aged it. But that is not the American spirit. The American spirit is to do things quickly.

We have one man in this country who is producing some sugar-beet seed, and with good results. That is a man up in the State of Washington. They have tried to produce sugar-beet seed in various States; for instance, in Colorado. They are subject to hailstorms in Colorado. Now, you can have a field of beets, and the hail will cut off all the leaves, and your beets will throw out new leaves and go on and make a crop; but when you have got your beet seed out, why, a hailstorm will simply destroy the whole thing; it will destroy two years' work; so that they have to be very careful as to the place where they plant them.

Mr. MADISON. It takes two years, then, to produce a crop of seed?

Mr. PALMER. Yes, sir; the sugar beet is a biennial.

Mr. MADISON. Are there any experiments being made by our Agricultural Department to breed seed?

Mr. PALMER. Yes, sir; they are working on a suggestion that I made to them six or eight years ago, and on which I wrote a bulletin for them which was published by the department, on breeding a single germ seed; and if they succeed with that, it will be the greatest step in advance that has been made in a very long time.

Mr. MADISON. That will do away with the necessity of thinning the beets?

Mr. PALMER. Yes, sir; and it will increase the tonnage, they estimate, from a third to a half.

Mr. MADISON. What success are they having with their experiments up to date?

Mr. PALMER. They started with ordinary commercial seed, and found that between 1 and 2 per cent of that seed was single germ. We picked out 2,000 single-germ seeds and planted them. The first generation we got a little over 26 per cent of single-germ seeds. The second generation they got a fraction over 50 per cent, the best seed plants. The third generation they tell me is very apt to go all to pieces, and they have to go back again and start over. It did not happen so in this case, but there was not much increase in the third generation, just a little under 55 per cent; and that is where we are at present. We got up to somewhere from 50 to 55 per cent. Some people believe that it can not be done. Others believe that it can be. Dr. Hertzfeld, who is at the head of the German Sugar Institute at Berlin, told me last year, "You are bound to get it if you keep at it. It may take a generation, but you are sure to get it." If we do, it is a great thing, not only on account of saving that hand labor, but on account of not having to injure the beets through the pulling up of the superfluous beets. As it is now, we are limited. One of the limits in beet culture is, How much help have you got to help thin your beets? You know, the beets are sowed along in rows, and they come up, and the average germination is $3\frac{1}{2}$ plants to each seed, and when they come up they are twisted all around each other, and you have to hold one down while you pull the rest out; and after you go over the seed, they look just like transplanted cabbage plants; they are lying flat on the ground; and that shock to the beets is severe. Also, they have to be thinned just at the right time. I have a German experiment where they prepared what was equal to about 4 acres—it was in hectares—the same soil, the same preparation, the same fertilization, the same in every respect except the time of thinning. The first acre was thinned at the right time. The yield was 15 tons. The second acre was thinned one week later, and the yield was $13\frac{1}{2}$ tons. The third acre was thinned still a week later, and the yield was $10\frac{1}{2}$ tons, and the fourth acre was thinned still one week later, and the yield was $7\frac{1}{2}$ tons. That showed the influence of not thinning your beets at the right time, but waiting until they are so strong that when you pull out the superfluous ones you seriously injure the remaining ones.

When you get so that you can drill your beets in in rows and seed in plants an inch or two apart, you can simply come along with a hoe at any old time and hoe out the superfluous ones without injuring the remaining ones, and the department estimates that it will increase the tonnage from one-third to one-half.

Mr. MADISON. Are the farmers in the sections where the beet industry is located taking an interest now in the development of the industry and planting the beets without much urging upon the part of the manufacturers?

Mr. PALMER. As a rule, the longer a factory has been established the more ready are the farmers to raise beets.

Mr. MADISON. They are not, then, as has been stated by some—I do not know that it has been stated here—becoming discouraged, regarding it as an unprofitable matter, and going out of the raising of the beets?

Mr. PALMER. No, sir.

Mr. MADISON. In the localities where the factories are located?

Mr. PALMER. No, sir.

Mr. MADISON. It has been stated that a very small area of land would produce all the beets that this country would need for its sugar. About how many acres do you estimate would be required to produce the beets that would be needed for our domestic use? Show to what extent the industry would cover a wide area, or otherwise.

Mr. PALMER. On the present consumption and the present yield, somewhere about 3,000,000 acres; but that does not mean that only 3,000,000 acres would get the benefit of beet culture.

Mr. MADISON. What other acreage would?

Mr. PALMER. Not less than 12,000,000 acres; because, in order to get the greatest money out of beets in the indirect advantages, you want to rotate not oftener than once in four years, raising beets on the same soil not more often than once in four years. That gives you 3 acres in other crops to each acre that is in beets.

Mr. MADISON. Are the farmers practicing rotation in this country in beets?

Mr. PALMER. They are doing it to a far greater extent than they were. There are some places in the arid country especially where for several reasons the farmers are not practicing the rotation that they should. One reason is what was brought out here the other day, that freight rates are high on other crops; and another reason is that a good farmer finds that he can make a whole lot of money out of beets, and he wants to grow them every year; and you tell him to plant beets on another field next year and he says, "Well, by Jove, I went all over this other field that I raised beets on last year and I have got the weeds all out of it, and now I have got to keep the weeds out of the beets and I have not got to keep the weeds out of these other crops, and I am going to plant beets where I planted them last year," not stopping to think that the weeds in the other crops are damaging those as well. One of the companies in Colorado issued a circular, after my address out there before the Trans-Mississippi Commercial Congress elucidating these matters to the farmers, stating to the farmers there that they would not receive beets grown on soil that was in beets the year before. I wish they would all do that. The time is coming when they will do it. They should do it.

Mr. MADISON. Are European countries continuing their beet industry with the same interest and enthusiasm that they have in the past?

Mr. PALMER. Yes, sir; although after the signing of the Brussels Conference there was a decrease in the product of the European countries for some years. Now they are picking up again.

Mr. MADISON. I have heard it stated that there was a movement in France to abandon this industry, and that there was some proposition of some kind made in the French Chamber of Deputies some years ago to provide for the purchase of plants, and so forth.

Mr. PALMER. It never came to my notice.

Mr. MADISON. You do not know anything about that?

Mr. PALMER. No, sir. In the north of France the sugar manufacturers are up against a new proposition, in this, that the alcohol manufacturers are making alcohol out of beets, and in some places have been able to bid more for beets than the sugar factories have. What the outcome of it will be I do not know.

Mr. MADISON. You traveled through France, did you, in investigating this?

Mr. PALMER. Yes.

Mr. MADISON. And you talked with the farmers and others?

Mr. PALMER. Not much with the farmers. The average farmer I can not talk to. I do not understand the language very well.

Mr. MADISON. What impression did you gain as to their interest in the industry and their desire to continue it, and the profitableness of it, or otherwise?

Mr. PALMER. They would not know. Judge, the average man who has raised beets over there would be at a loss if he had beets taken out of his rotation. Of course he would have to supply something else. Now, take it in Austria. I happened to notice there, near Carlsbad, large areas of mangelwurzen, great big beets, which were taken care of as carefully as sugar beets; there was not a weed in them, and they raise those simply for stock purposes. They raise them and put them in a silo and keep them through the winter, and in that way get the same advantage to the soil that they do through sugar beets. My contention is not that the sugar beets are the only thing that will so greatly enhance the productivity of the soil, but that the sugar beet is the most available thing that we have, the most profitable thing we can grow, and the one that will accomplish it more readily than anything else.

Mr. MADISON. Now, I do not think of anything further that I want to inquire of, but you have given us some very illuminating facts with regard to the industry, and if there are any other matters that occur to you now which you feel ought to be imparted to the committee, we would be glad to have you state them.

Mr. PALMER. There is only one thing that I think of now; but there is one thing that I believe would interest every member of the committee. George Martineau, an Englishman, who has devoted his life to sugar, and who has been the British representative at every sugar conference that they have had for years, and who is a very brilliant man and a student, sent me an author's copy of a popular book on sugar that he wrote in 1910, the first edition early in 1910 and a second edition in November, I believe, and he gives the most lucid account of the bounty system; how it started in Europe and how it was adopted by one country and another, and abandoned here and there, and the effect of it, and everything, that I know of anywhere. I think you would be very much interested in it, if you care to take the time. It would take perhaps 5 or 10 minutes to read it.

Mr. MADISON. Suppose you read it. You say it would take only 5 or 10 minutes.

Mr. PALMER. Yes.

Mr. MADISON. I think the committee would be glad to have you read it.

Mr. PALMER. This is from a book called "Sugar, Cane and Beet," by George Martineau, secretary to the British Sugar Refiners' Committee, 1872-1892. Adviser to the British delegates at the international conference of 1875-1877, 1888, 1889, and 1901-2. Assistant British delegate on the Permanent International Sugar Commission at Brussels, 1903-1905.

This comes under his chapter on the beet-sugar industry, and after giving something of the early history and how it has increased he says:

The way in which this enormous production grew and prospered is a most interesting study. It is dealt with in detail in the writer's paper on "The statistical aspect of the sugar question," which can be found, for those who may desire the full facts, in the Journal of the Royal Statistical Society for June, 1899. Here there is room only for the more salient points.

To begin with a comparison between the progress of France and Germany in the production of beet-root sugar—an instructive chapter in a very remarkable story. In 1871, France was the leader in the industry; she produced 284,444 tons, while Germany produced only 186,442 tons. But while the German Government, as is their practice, began to foster the industry in a far-seeing and rational way, the French Government allowed their great agricultural and industrial sugar producers to shift for themselves. The German producer was charged with his sugar tax in the form of a duty on the weight of the roots. The roots were estimated to yield a certain percentage of sugar, and were charged accordingly. This was—and was intended to be—a strong incentive to the farmers to grow richer roots, and to the factory to get more sugar out of them. The system, as usual in Germany, was a great success. The roots grew richer every year and the machinery for extracting and completing the sugar was constantly improved. Scientific methods progressed and flourished because they brought larger profits to both farmer and manufacturer. In France, on the other hand, the factories were under the strictest excise supervision, every ounce of sugar was checked and noted and had to pay the full sugar duty.

The result of these two opposite systems was that while France produced no more in 1884 than she had done in 1871, the German production had gone up from 186,000 tons to 1,123,000 tons. The French producers saw that this meant ruin if allowed to continue. The percentage of sugar extracted from the roots had gone up in Germany from 8.28 to 11 per cent, while in France it remained at the old figure, below 6 per cent. The French Government at last realized their mistake and hastened, in 1884, to rectify it by imitating Germany. They adopted the system of duty on the roots, and it was a duty based, of course, on a very low estimate of yield. The effect was instantaneous. Better seed was sown in France, better methods of manufacture were adopted, the diffusion process was substituted for the old hydraulic presses, and the yield of sugar began to rise by leaps and bounds. From 6 per cent it soon went to 7, 8, 9, and 10 per cent. But as the French producers were allowed the full drawback on exportation, although they were paying only a small fraction of the duty on the sugar they produced, the revenue began to show a great and constantly increasing loss. The French Government, unlike the German, had greatly overdone the dose of stimulant, and they had to proceed to take precautions. They found that the sugar industry was making an enormous profit out of the new system. In the first year the manufacturers pocketed 25,000,000 francs; in the third year, 1886-87, their profit had risen to 91,966,437 francs, or £3,678,657. These are official figures. The Government was obliged to check this drain on the exchequer. In 1887 the legal yield was raised, and the excess yield, instead of going free of duty, was charged with a modified tax. For two years the large profits were slightly reduced, but in 1889 they were again over 90,000,000 francs. There was then another raising of the legal yield and the profit was again reduced, but began to recover as the yield of the factories went

on increasing. In 1893 it was 39,000,000 francs, but in 1896 it had reached 54,000,000 francs. During this period, 1884 to 1896, the yield of sugar from the roots had gone up from 6 per cent to 11 per cent, and the French crop had increased from 265,000 tons to 668,000 tons.

Turning again to Germany, the yield of sugar from the roots, which was, in 1871, 8.28 per cent, had risen by 1884 to 11 per cent. They had thus got more than 10 years' start of their French competitors. But in 1896, when the French managed to reach a yield of 11 per cent, the Germans had reached a yield of 12.66 per cent.

It must be borne in mind that in Germany, as in France, though the duty only struck a portion of the sugar produced, the full drawback was allowed on all the sugar exported. This was an enormous incentive to production and exportation and a serious loss to the revenue. The German Government saw that their wise and moderate system had about done its work. In 1888 they took steps gradually to make a transition from the system of duty on the roots to the evidently more rational method of charging the duty on the sugar actually produced. In 1892 this period of probation was accomplished, the factories were under full excise supervision, and all the sugar paid the duty. But the German Government were wide awake to what was going on in France, so they presented the manufacturers with a temporary direct bonus on exportation, which was to be abolished as soon as France and other countries ceased to give direct or indirect help to their sugar producers out of the revenue. Here again the German Government were quite wise and reasonable.

The French Government followed suit in 1897, but again they made a mistake in overdoing it. They abolished the duty on the roots and levied it, very properly, on the actual sugar. But instead of coming to terms, in conformity with the German friendly overtures, they disregarded the invitation and gave a bonus on exportation just double that of Germany. This, as the French minister said, was a defiance and a challenge.

The German production had now increased to 1,821,223 tons, nearly three times that of France. Their revenue from sugar had gone down from 63,249,000 marks in 1875 to 33,624,000 marks in 1886 and 14,677,000 marks in 1887. Then they began their reforms, and the revenue recovered to an average of about 76,000,000 marks in the years 1889-1892. After that the full duty on all the sugar was secured, and the revenue went up to 84,000,000, 92,000,000, and 99,000,000 marks for the next three years. The stimulus had done its work, for not only had the German production gone up to nearly 2,000,000 tons, but their exports of refined sugar, which were 5,809 tons in 1871, had reached in 1888, when the reforms began, 150,341 tons, and in 1892, when the reforms were completed, 270,607 tons. The direct bonus on exports, which was then substituted as a temporary measure, brought the exports of refined sugar up to 503,928 tons in 1897. The German exports of raw sugar were 491,176 tons in 1883, and remained much the same till 1894, when they rose to 609,662 tons. In 1896 they were 760,657 tons. This is a striking picture of the progress of an industry under a judicious paternal government.

France was injudicious, but Austria was still more so, and yet their system laid the foundation for an enormous and flourishing industry. The Austrian sugar duty was levied in a peculiar way. It professed to be a duty on the roots, but instead of a careful weighing of the roots, as in Germany, the quantity of roots was roughly estimated according to an official supposition of the capacity of the apparatus of the factory. It was, in fact, an estimate within an estimate. The Austrian manufacturers were therefore not only stimulated to grow rich roots and to get the utmost quantity of sugar out of them, but also to make the apparatus of the factory capable of working more roots than were estimated by the Government. When the present writer visited the Austrian engineering works in 1871 he found them full to overflowing with work for the sugar factories, making, among other things, diffusion vessels which would turn out more juice per day than those then in use. There was also in those days some factories still working with hydraulic presses. They were a curious sight. The work was carried on at such high-pressure speed, in order to do more than the estimated quantity, that the place was a perfect pandemonium, and the floor covered with juice, owing to the hurry and bustle of the establishment. The Austrian Government was losing revenue to such an extent that it seemed probable that they would soon cease to receive anything from the sugar duty. This proved to be only too true. In 1867 the net revenue was 5,363,159 florins. By 1874 it had dropped to 1,742,324 florins, and in 1875, while the gross revenue was 9,337,435 florins, the drawback allowed on exports amounted to 9,472,991 florins, so that the sugar duty pro-

duced an actual loss to the exchequer of 135,556 florins. They remedied this disastrous state of things by insisting on a fixed minimum revenue with a gradual yearly increase. This checked the exports to a certain extent, and the manufacturers loudly complained. In 1888, therefore, the whole system was abolished and the duty was levied on the actual sugar produced. The Government followed the example of Germany and gave a temporary direct bonus on exports, to be abolished when a general agreement with the other countries should be arranged. The manufacturers enjoyed the certainty of 9,000,000 florins per annum and were satisfied. The stimulus to production continued and exports rapidly increased.

Belgium and Holland levied the duty neither on the sugar nor on the roots, but on the density of the juice. No one knows how much the manufacturers made out of this, because neither the quantity of sugar produced nor the quantity consumed has ever been discovered.

Russia desired to have a flourishing beet-root sugar industry, and after many vicissitudes, hit upon a system which thoroughly answered the purpose of giving the necessary stimulus. The Russian Government in 1894 took the matter into their own hands. They fixed (1) the quantity of sugar necessary for home consumption; (2) the maximum price to be charged to the consumer—a price, after deducting the duty—about double the price in outside markets; (3) the quantity of sugar to be kept in reserve, a portion of which was to be thrown on the market if prices rose above the fixed limit. Each manufacturer was allowed to send into consumption a fixed quantity of sugar, and then his surplus production was apportioned to the home market in proportion to his total production. Here was not only a security for good profits in the home market, but also a constant stimulus to overproduction. Fortunately, the Russian consumption, in spite of the high price, steadily increases owing to the constant extension of the Empire eastward. But at times there is a large surplus to be got rid of which has to be thrown on the outside markets and sold for what it will fetch. The high price at home maintains even then for the Russian producer a large average profit far beyond the natural level. This is, in fact, a "combine" or "cartel," established and regulated not by the industry but by the Government and strictly supervised by them. The details have been modified from time to time, but the main features remain. The production in Russia was 159,000 tons in 1875, 475,000 tons in 1885, and 679,000 tons in 1895. It now exceeds 1,000,000 tons.

Turning to the exports from Germany and Austria, the former exported, in 1875, 7,245 tons of refined sugar, and, in 1897, 503,928 tons. Austria, in 1875, exported 39,887 tons of refined sugar, and, in 1897, 460,154 tons. The raw-sugar exports in 1883 were, from France 42,236 tons, from Germany 491,176 tons, and from Austria 131,019 tons. From that year Germany kept up a steady export varying between 400,000 and 700,000 tons per annum. The French exports were very fluctuating, as low as 3,000 and as high as 300,000 tons. Austria was also very fluctuating, as high as 180,000 and as low as 81,000 tons. The exports of refined sugar from Austria are very high and very steady, because the profit from the duty or the bonus was so arranged as to give the turn to the production and exportation of refined rather than raw sugar.

This rough sketch of the progress of the European beet-root sugar industry gives rise to many reflections. It has been artificially stimulated, as we see, to a vast extent, and it has now lost its artificial stimulus. The Brussels convention of 1903 has put a stop to it. During its progress it won the race against cane sugar and became the dominant factor in the sugar markets of the world. What will happen now? Will it hold its own or will cane sugar win the next heat?

To answer this question it is necessary to study the cost of production in the rival industries. The yield of beet-root sugar, per acre, is only $1\frac{1}{2}$ to 2 tons at the best. From the cane, in very favored countries, as we have seen, the yield per acre can reach 4 to 5 tons. Then, as to skill and excellence in manufacture, the beet-root factories were at one time far in advance of the cane. The tropical industry has now learned the lesson from its European competitors, has improved its methods and goes on doing so very rapidly. But the European industry has its market almost at its doors, while the tropical sugar must sometimes travel long voyages to reach the consumer.

As to actual figures, it is sufficient to say here that in the most advanced beet-root country—Germany—the average cost of production is about 9 shillings to 9 shillings 6 pence per hundredweight. But Russia, which produces less

than a ton to the acre, must have a considerably higher figure. The other countries come between the two. In a first-class cane-sugar country, like Java or Cuba, the cost of production might often be a good deal more than a shilling below the cost in Germany. One conclusion can easily be stated. The European producers will continue to make as much sugar as their consumers want so long as competition from outside is excluded. Whether they can maintain their exports on the present scale is doubtful.

The reader may wonder why the United Kingdom, by far the largest sugar consumer in Europe, is the only European country which produces no sugar even for its own vast consumption. The story which has just been told of the European sugar industry is a sufficient answer. As Mr. Robert Lowe told us years ago, ours is not a paternal Government. With a market for 1,600,000 tons of sugar at our doors, and a good soil and climate, we import it all and read the sugar-market report day by day under the cheerful heading of "Foreign produce." Germany, in the meantime, with a home demand not much more than half of ours, not only supplies all her own sugar, but has every year more than 1,000,000 tons for exportation, half of which is refined sugar. These are curious facts, of which the general public, and even our rulers, know little and care less.

Crop 1908-9.

[Figures of the Association Internationale de Statistique Sucriere.]

Countries.	Number of factories.	Roots.	Sugar.
		<i>Tons.</i>	<i>Tons.</i>
Germany.....	358	11,809,200	2,979,220
Austria-Hungary.....	204	7,933,400	1,386,900
Russia.....	277	8,184,900	1,240,300
France.....	251	5,949,300	791,600
Belgium.....	81	1,711,600	257,300
Holland.....	27	1,350,000	214,300
Italy.....	33	1,526,700	178,600
Sweden.....	21	886,000	137,600
Spain.....	31	881,600	110,000
Denmark.....	7	436,350	65,450
Roumania.....	5	166,850	24,950
Servia.....	1	36,300	5,600
Switzerland.....	1	27,200	3,660
Bulgaria.....	1	23,300	3,120
Greece.....	1	7,000	870
Total.....	1,299	40,929,700	6,499,560

The United States, after a few unsuccessful efforts in former days, began in 1890, seriously, to embark in the industry of beet-root sugar production. Clever men made a careful study in the European countries of the methods of manufacture; the Department of Agriculture, and especially Dr. Wiley, the chief of its Bureau of Chemistry, rendered valuable advice, and the small beginning soon grew to large dimensions. In 1892 there were six factories turning out 13,000 tons of sugar. In 1902 there were 41 factories, with a total sugar production of 218,406 tons. In the season 1908-9, 63 factories produced 421,244 tons. The industry enjoys, like its sister cane-sugar industry in Louisiana, the profitable privilege of entry to the home markets duty free. At present the agricultural branch of the industry is not a great success, their average weight of roots to the acre being only eight to ten tons. The manufacturing department, no doubt, includes many up-to-date factories, and the results will probably improve steadily year by year. In the last three years the extraction of the sugar has increased from 11.4 per cent to 12.6 per cent. Why the farmers do their part of the work so badly is not explained. In many parts, no doubt, the climate is not so favorable as it is in Europe. The industry is, however, very sanguine with regard to the future, and we can only wish them every success in their brave determination to grow and prosper.

Mr. RAKER. Those chaps in the old countries are always criticizing the Americans, and yet they are all the time coming here.

Mr. PALMER. Well, I think in that case he has got reason to criticize. We have richer soil than they have, and we ought to produce

more beets than any of those countries over there. Have you got in your record the per capita consumption of the various countries?

The CHAIRMAN. We have in some of the principal countries.

Mr. PALMER. This was published in Willett & Gray's from the figures of Otto Licht, of Magdeburg. It is very full.

The CHAIRMAN. Put it in the record. I would be glad if you would. I remember we have figures from France and Germany, but I do not remember what other countries. Put it in the record.

(The table referred to, marked "Exhibit Palmer No. 30," is here printed in full in the record as follows:)

EXHIBIT "PALMER No. 30."

[From Willett & Gray's Statistical Sugar Trade Journal, Jan. 5, 1911.]

European per capita consumption.

Otto Licht's monthly report, dated Magdeburg, December 9, 1910, gives the following table, showing the per capita consumption in Europe:

Countries.	Population.	Consumption of sugar per head.	
		Kilograms.	Pounds.
Germany.....	64,724,000	19.75	43.45
Austria-Hungary.....	51,018,000	11.43	25.14
France.....	39,450,000	17.18	37.80
Russia.....	128,171,000	10.39	22.82
Belgium.....	7,186,000	14.71	32.36
Holland.....	5,826,000	19.79	43.53
Sweden.....	5,476,000	24.50	53.90
Norway.....	2,350,000	18.99	41.78
Denmark.....	2,726,000	35.34	77.75
Italy.....	34,270,000	4.24	9.33
Spain.....	19,750,000	6.45	14.20
Roumania.....	6,880,000	4.31	9.50
Finland.....	2,969,000	14.75	32.45
Bulgaria.....	4,253,000	3.20	7.05
Greece.....	2,636,000	3.42	7.52
Servia.....	2,821,000	3.44	7.58
Turkey and Asia.....	24,050,000	5.86	12.89
Portugal and Maderia.....	5,760,000	6.42	14.12
Switzerland.....	3,559,000	29.14	64.10
England.....	45,472,000	39.23	86.30
Total Europe.....	459,527,000	14.82	32.60
United States (Willett & Gray, 1910).....	91,972,266	37.05	81.60

Mr. MADISON. Mr. Chairman, I move that you take up the examination now.

The CHAIRMAN. Well, I want to be as thorough as I can, but I want to say that I want to relax the rule in this case, and at any point where I am questioning the witness I want any member to feel at liberty to interrupt me. It will not disconcert me, and probably we will get through quicker.

I will ask you some preliminary questions, Mr. Palmer, while I am waiting to have brought up here the tables that were inserted in the record yesterday.

In the first place, your present office is secretary of the Beet Sugar Association?

Mr. PALMER. The United States Beet Sugar Industry.

The CHAIRMAN. Industry?

Mr. PALMER. Yes.

The CHAIRMAN. Is that a corporation?

Mr. PALMER. No; it is a voluntary association.

The CHAIRMAN. Composed of what?

Mr. PALMER. Composed of sugar-beet manufacturers.

The CHAIRMAN. Of all the sugar-beet manufacturers in the United States?

Mr. PALMER. No; they are not all in.

The CHAIRMAN. Practically all?

Mr. PALMER. I should say perhaps two-thirds of them.

The CHAIRMAN. Perhaps two-thirds of them?

Mr. PALMER. Yes.

The CHAIRMAN. Let us see who compose it. Is the Utah-Idaho Sugar Co. in it?

Mr. PALMER. Yes.

The CHAIRMAN. Is the Spreckels Sugar Co. in California?

Mr. PALMER. Yes.

The CHAIRMAN. Is the Michigan Sugar Co. in it?

Mr. PALMER. Let me see if I can not give you the list here. No; the Michigan Sugar Co. is not.

The CHAIRMAN. Is that the only concern of any size that is not in it?

Mr. PALMER. No. Only two of the Michigan companies are in; that is, the Holland and the St. Louis.

The CHAIRMAN. Are they independent of the Michigan Sugar Co.?

Mr. PALMER. Yes.

The CHAIRMAN. There are other beet-sugar companies in Michigan, other than what is called the Michigan Sugar Co.?

Mr. PALMER. Yes.

Mr. RAKER. I believe there is a list here that gives all of those. There is a bulletin published by the department that gives the names of all those companies; have you not got that?

Mr. PALMER. I think I have got it here in the Beet Sugar Gazette.

The CHAIRMAN. All right.

Mr. PALMER. There is the Alameda Sugar Co. These are arranged according to States.

The CHAIRMAN. Yes.

Mr. PALMER. The Los Alamitos, the Spreckels Sugar Co., the Union Sugar Co., the Sacramento Valley Sugar Co. I am not certain about the Southern California Sugar Co. I do not know whether they are in or not. In Colorado there is the Holly Sugar Co., the National Sugar Manufacturing Co., the Great Western Sugar Co., the Western Sugar & Land Co., the Utah-Idaho Sugar Co., Charles Pope, the United States Sugar & Land Co., the Holland Sugar Co., the St. Louis Sugar Co., the Amalgamated Sugar Co., the Wisconsin Sugar Co. That, I believe, is all.

The CHAIRMAN. You say they represent the companies that compose this voluntary association which names itself, so far as the association is concerned, the American Beet Sugar Industry? They compose about two-thirds of the beet-sugar manufacturers in the United States?

Mr. PALMER. I should say so.

The CHAIRMAN. Have they any other officers except yourself?

Mr. PALMER. No, sir; there is no president.

The CHAIRMAN. There is no president?

Mr. PALMER. No.

The CHAIRMAN. Are there any other officers except you?

Mr. PALMER. They have an executive committee.

The CHAIRMAN. Who are the executive committee; what gentlemen constitute the executive committee.

Mr. PALMER. Mr. C. C. Hamlin, of Colorado Springs. I do not know whether we named Mr. Garland N. Smith, of Bay City, at the meeting, but they are not members yet.

The CHAIRMAN. Why? They have not accepted, you mean?

Mr. PALMER. No; they have not come in yet. They have not paid up any assessment or anything.

The CHAIRMAN. They have not paid their assessments yet?

Mr. PALMER. No; and they have not said that they will come in.

The CHAIRMAN. Mr. Garland N. Smith, with that qualification?

Mr. PALMER. At Bay City?

The CHAIRMAN. At Bay City.

Mr. PALMER. Yes. Mr. Henry T. Oxnard, of Washington; R. G. Wagner, of Milwaukee; Mr. Thomas R. Cutler, of Salt Lake City; Mr. John R. Howard, of San Francisco; William H. Walsh, of Saginaw.

The CHAIRMAN. Is John R. Howard one of the Spreckels managers?

Mr. PALMER. No, sir.

The CHAIRMAN. What company is he of?

Mr. PALMER. He is president of the Alameda company.

The CHAIRMAN. Which is a beet-sugar company?

Mr. PALMER. Yes.

The CHAIRMAN. Are there any of these officers who are salaried except yourself?

Mr. PALMER. No, sir.

The CHAIRMAN. And you are practically the executive officer of the industry, if you want to call it that?

Mr. PALMER. I say no; if they are, I do not know it.

The CHAIRMAN. You said these gentlemen had not qualified, or their time had not come, but they had been named at the last meeting. Does this association, which you call the American Beet Sugar Industry—

Mr. PALMER. No; the United States Beet Sugar Industry.

The CHAIRMAN. The United States Beet Sugar Industry?

Mr. PALMER. Yes.

The CHAIRMAN. Does it have regular stated meetings?

Mr. PALMER. No.

The CHAIRMAN. When does it meet?

Mr. PALMER. You see, we had the old organization—the American Beet Sugar Association—and I sent out a call to meet in Chicago, and we met and adopted—

The CHAIRMAN. This new name?

Mr. PALMER. Yes; this new name.

The CHAIRMAN. With the same organization, I believe you have already stated?

Mr. PALMER. Yes; virtually.

The CHAIRMAN. You changed the name?

Mr. PALMER. Yes.

The CHAIRMAN. What was the reason of changing the name? That may be a trivial question.

Mr. PALMER. There were two reasons, very similar. One was to get away from the word "American," because of its application to the American Beet Sugar Co. and the American Sugar Refining Co. The American Beet Sugar Association was organized many years ago by Mr. Oxnard, and the American Beet Sugar Association and the American Beet Sugar Co.—

The CHAIRMAN. And the American Sugar Refining Co., they all sounded very much alike?

Mr. PALMER. Yes; they all sounded very much alike; and I have often been addressed as the secretary of the American Beet Sugar Co., with which I have not anything to do.

The CHAIRMAN. Yes; I see. Now, what are your duties for that association?

Mr. PALMER. My duties are to gather statistics and present our side of the case, to the best of my limited ability; to keep posted on the sugar situation.

The CHAIRMAN. And to present your side of the case—to whom?

Mr. PALMER. I beg your pardon?

The CHAIRMAN. To present your side of the case, as you said, to the best of your ability. That is considerable, although your modesty induces you to say that it is limited. Present it to whom?

Mr. PALMER. To anybody that can do us any good. To committees, as I am doing here to-day.

The CHAIRMAN. In other words, what I am trying to get at is, it is a legislative employment, to some extent? I mean, you are employed, not in the corrupt sense of a lobbyist, or anything like that, but to present the claims of this company to legislative committees, to committees of Congress?

Mr. PALMER. Yes.

The CHAIRMAN. Is that the principal object of your employment?

Mr. PALMER. Well, I could not say whether it is the principal one or not. I am keeping all of our people informed with the information that I gather abroad, and my statistical information from time to time.

The CHAIRMAN. Are your headquarters during the sessions of Congress in Washington?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Do you appear before the Ways and Means Committee of the House and the Finance Committee of the Senate and present the views of your clients?

Mr. PALMER. I never appeared before the Finance Committee. I have appeared before the Ways and Means Committee.

The CHAIRMAN. You appeared before the Ways and Means Committee of the House—

Mr. PALMER. Yes.

The CHAIRMAN. Each time that a tariff bill was up that involved the sugar question? For instance, did you appear before the Ways and Means Committee of the House when the Payne tariff bill was up?

Mr. PALMER. No; I was in Europe, and I presented a brief to the committee.

The CHAIRMAN. Yes.

Mr. PALMER. I did not appear in person.

The CHAIRMAN. You sent in a brief?

Mr. PALMER. Yes.

The CHAIRMAN. It is understood, though, that you shall be here in Washington while Congress is in session?

Mr. PALMER. Yes.

The CHAIRMAN. And Washington, I suppose, is your general headquarters?

Mr. PALMER. While Congress is in session. My home is in Chicago.

The CHAIRMAN. Your home is in Chicago?

Mr. PALMER. Yes.

The CHAIRMAN. And except when Congress is in session, Chicago is your headquarters?

Mr. PALMER. Yes.

The CHAIRMAN. But do you come down as soon as Congress meets?

Mr. PALMER. Sometimes I come down the 1st of December and sometimes not until the 1st of January.

The CHAIRMAN. Yes; but usually you are here during the entire session?

Mr. PALMER. Yes.

The CHAIRMAN. Long or short?

Mr. PALMER. Yes.

The CHAIRMAN. I do not know that it is objectionable in any way, but I do not want to ask a question that anybody might construe as questionable. Would you mind telling us what salary the beet-sugar companies pay you for that work?

Mr. PALMER. \$10,000 a year.

The CHAIRMAN. When you make these various trips of investigation, they pay your expenses too, do they not?

Mr. PALMER. Yes.

The CHAIRMAN. Do they pay your expenses in Washington, besides your salary?

Mr. PALMER. No, sir.

The CHAIRMAN. You bear your own expenses here?

Mr. PALMER. Yes.

The CHAIRMAN. Is it part of your duty to attend any political conventions or anything like that where party platforms are being considered?

Mr. PALMER. No.

The CHAIRMAN. Do you do that?

Mr. PALMER. I usually attend the Trans-Mississippi Commercial Congress and the National Irrigation Congress.

The CHAIRMAN. The National Irrigation Congress?

Mr. PALMER. Yes; the National Irrigation Congress.

Mr. MADISON. Those are not political, though?

The CHAIRMAN. Those are not political meetings?

Mr. PALMER. No.

The CHAIRMAN. But you attend those on account of the interest of the beet-sugar people in this proposition?

Mr. PALMER. Yes; I address them, very often, on the beet-sugar proposition.

The CHAIRMAN. In other words, you present your propaganda before these nonpolitical bodies? You present it?

Mr. PALMER. I present it; yes, sir.

Mr. RAKER. They urge resolutions to be adopted favoring the beet-sugar industry?

The CHAIRMAN. It is further suggested, and I think it is well to have it in the record—you mean by presenting your propaganda that you urge various resolutions to be adopted by those bodies, favoring the beet-sugar industry and urging beet culture by the farmers?

Mr. PALMER. Yes.

The CHAIRMAN. And incidentally discuss the tariff question with them?

Mr. PALMER. No, sir.

The CHAIRMAN. You do not?

Mr. PALMER. No, sir.

The CHAIRMAN. I suppose, of course, your tariff discussions are confined to Washington, principally, are they?

Mr. PALMER. Well, I do not try to go into the tariff very much. I go into the economic features of it.

The CHAIRMAN. You also present the tariff question when the tariff is up on sugar—when that is under consideration here in Washington?

Mr. PALMER. Yes; from an economic viewpoint.

The CHAIRMAN. Yes; from whatever viewpoint. From the viewpoint the way you look at it and in the interest of your client. That is right, is it not?

Mr. PALMER. Yes.

The CHAIRMAN. Can you read German?

Mr. PALMER. No, sir.

The CHAIRMAN. I will have to get somebody else, then, to read this letter and put it in the record. I know what is in it, substantially, but I can not read it.

How many beet-sugar factories are there in the United States now?

Mr. PALMER. Sixty-nine.

The CHAIRMAN. Sixty-nine in actual operation?

Mr. PALMER. Yes.

The CHAIRMAN. How many are in process of construction?

Mr. PALMER. Six.

The CHAIRMAN. How many are in reasonable contemplation that are not being constructed, that you know of, or have reasonably good grounds to believe are about to be constructed?

Mr. PALMER. I do not know of any others.

The CHAIRMAN. You do not know of any others?

Mr. PALMER. No, sir.

The CHAIRMAN. There are 69 now. What is the total capital of these 69 that are now in existence and in operation?

Mr. PALMER. I do not know what the total capital is. I estimate it in one of the tables that I gave you. I took the census capitalization of 1904.

The CHAIRMAN. The last printed census? Why did you not take 1909?

Mr. PALMER. The 1909 census does not give the capitalization.

The CHAIRMAN. And the 1904 does?

Mr. PALMER. Yes; so that I divided the amount of capitalization in 1904, as explained in that table, by the number of factories in 1904, and applied that number to the number of factories in 1909.

The CHAIRMAN. What is your estimate, then, of the present amount of capital on a fair basis, leaving out as much water as I can induce you to leave out, mentally, if there is any water in any of them? What is the present capital?

Mr. PALMER. It is generally considered to be about \$75,000,000.

The CHAIRMAN. About \$75,000,000 in round figures?

Mr. PALMER. Yes.

The CHAIRMAN. About how much will that be increased by these six that are in construction, in round numbers?

Mr. PALMER. Perhaps \$4,000,000.

The CHAIRMAN. Perhaps \$4,000,000?

Mr. PALMER. Yes.

The CHAIRMAN. That will run it up somewhere about seventy-nine or eighty millions of dollars?

Mr. PALMER. Yes.

The CHAIRMAN. That is the amount, according to your view, invested in the beet-sugar factories to-day?

Mr. PALMER. Yes.

The CHAIRMAN. Have you got any idea of the amount invested in cane-sugar refineries and factories?

Mr. PALMER. No.

The CHAIRMAN. I know that is a little out of your line and I will not press it.

Mr. PALMER. The Louisiana people, I believe, claim to have \$150,000,000.

The CHAIRMAN. Invested in cane sugar?

Mr. PALMER. Yes; but I think that includes a good deal of cane land.

The CHAIRMAN. Plantations, as well as factories and refineries?

Mr. PALMER. Plantations, where they are owned by the factories.

The CHAIRMAN. How long have you had this place that you have been described to us, with this beet-sugar association, or whatever the name is which you give it?

Mr. PALMER. I came down here to be present at the hearings on the Cuban reciprocity hearings in January, 1910. I had not anything to do with the tariff. I simply came down here, and I was looking to going into the sugar business. I had gotten together 6,000 acres of land in California, a town site, and an irrigation system, and was going into the business, and when I saw the scrap they were in here on Cuba I took off my coat here and went to work. I did not get any salary; I did not get any expenses.

The CHAIRMAN. You were doing that on your own account and on your own responsibility, and without compensation?

Mr. PALMER. Yes; and it was about a year after that, I think, that I was made secretary of the association.

The CHAIRMAN. You fought the Cuban reciprocity agreement?

Mr. PALMER. To the best of my ability.

The CHAIRMAN. You were opposed to it?

Mr. PALMER. Yes.

The CHAIRMAN. Are you still opposed to it?

Mr. PALMER. In one way.

The CHAIRMAN. In what way?

Mr. PALMER. I think that we have done for Cuba everything within reason that could be expected. We have shed our blood and

given up our treasure for it. But I do not think it would be wise to abrogate the Cuban reciprocity treaty at the present time. It might bring on another sugar war down there. They have sugar wars in the Tropics very frequently.

The CHAIRMAN. You say you do not think it would be wise to advocate its repeal?

Mr. PALMER. I do not advocate its repeal.

The CHAIRMAN. You said you opposed it in one way, and that was you thought we had done enough for Cuba without doing that.

Mr. PALMER. Yes. I think it is bad economically. I think we lose money by it.

The CHAIRMAN. You think we lose money by it?

Mr. PALMER. Yes.

The CHAIRMAN. Do you think the American consumer gets any benefit out of Cuban reciprocity?

Mr. PALMER. Not directly.

The CHAIRMAN. Well, indirectly?

Mr. PALMER. The American consumer is getting a benefit by reason of the stimulation of the cane-sugar industry in Hawaii and in Cuba and in Porto Rico, and having a larger amount of sugar dumped on to the New York market.

The CHAIRMAN. Under the natural law of supply and demand?

Mr. PALMER. Yes.

The CHAIRMAN. The supply being increased if the demand remains stationary, the operation of those two forces might tend to a lower price?

Mr. PALMER. Yes.

The CHAIRMAN. And in that way they get the benefit of it?

Mr. PALMER. Yes. The price of sugar in this country for 1910 was, if I remember rightly, thirty-four and a fraction cents under the New York parity of Hamburg first-mark sugar. By the way, let me say this about first marks. I think it will interest you, as it did me, to know what first marks mean. Something must have started that name. It is simply that each one of those factories over there has its mark the same as a cattleman in Canada or Texas has his brand, and these are the sugars that are first marked in the factory there, and of varying attractiveness. Some are much more attractive than others.

The CHAIRMAN. Is it your judgment that the Cuban planter gets the benefit of that 20 per cent reduction in the tariff; or if he does not get it, who gets it?

Mr. PALMER. He gets it.

The CHAIRMAN. He gets it?

Mr. PALMER. Yes.

The CHAIRMAN. In other words, he goes under the tariff wall and says to the American consumer, "You must pay me the price that you have to pay Java or Hamburg for sugar, if you get mine?"

Mr. PALMER. Yes; so far as I have been able to ascertain, when sugar is sold in New York the Cuban gets that much more, for instance, than the San Domingan or the Javan; and that does not mean that he gets the Hamburg parity of sugar. For instance, last year for nearly a month raw sugar in New York was 90 cents below Hamburg.

The CHAIRMAN. Yes.

Mr. PALMER. Well, the Javan, if he sold the sugar at that time, would sell it at 90 cents. He could not get any more. He sold it at 90 cents below the Hamburg, whereas the Cuban would have deducted from his, 90 cents less the 34 cents.

The CHAIRMAN. I notice in your first table, table No. 1, that the final production of sugar in the world, both beet and cane, amounts to nearly 17,000,000 tons.

Mr. PALMER. Yes.

The CHAIRMAN. Will you tell us briefly whether or not even that material increase in production has kept pace with the world's increase in consumption of sugar?

Mr. PALMER. There is scarcely a time when there is not a surplus of sugar in the world.

The CHAIRMAN. In other words, you think that production in sugar has at least kept pace with the increase in consumption?

Mr. PALMER. It had to.

The CHAIRMAN. It had to?

Mr. PALMER. It had to.

The CHAIRMAN. Not if there was a surplus left over from year to year, necessarily, would it?

Mr. PALMER. Yes; but the production would make that surplus.

The CHAIRMAN. The production of the previous year would make that surplus, would it not?

Mr. PALMER. Yes; but you could not consume it if it had not been produced.

The CHAIRMAN. If it had not been produced some time you could not, but I am speaking of production and consumption from year to year now.

Mr. PALMER. Oh, yes; it has kept pace with this.

The CHAIRMAN. Now, applying that same question to conditions in the United States, has production in the United States from year to year increased proportionately to consumption of sugar—to the increase of consumption of sugar—in the United States?

Mr. PALMER. I have not figured that out, but I do not think so.

The CHAIRMAN. You do not think so?

Mr. PALMER. No.

The CHAIRMAN. Why not?

Mr. PALMER. Because you folks down here in Washington will not let us alone.

The CHAIRMAN. Because we will not let you alone?

Mr. PALMER. Yes.

The CHAIRMAN. Is the present tariff duty satisfactory?

Mr. PALMER. Yes.

The CHAIRMAN. You have had that ever since the Dingley bill passed, have you not?

Mr. PALMER. That is true in the main; but you have annexed Hawaii in the meantime, and you have taken in the Porto Rican product free of duty, and that product has jumped from 68,000 tons to several hundred thousand tons.

The CHAIRMAN. How many hundred thousand tons is that, do you remember? If you do not remember, never mind.

Mr. MADISON. You have got the approximate figures, have you not?

Mr. PALMER. It was about 350,000 tons.

The CHAIRMAN. That is the limit. Importation from Porto Rico is about 350,000 tons, is it not?

Mr. PALMER. In 1910 and 1911 it was 320,000 tons.

The CHAIRMAN. Is not this true: That in 10 years the consumption of sugar in the United States has increased 1,030,000 tons, about?

Mr. PALMER. I should think so.

The CHAIRMAN. Now, let us see how the Louisiana crops of cane sugar have kept pace with that increase. Take the year 1901. The crop in that year was 275,000 long tons, in round numbers, and in the year 1911 the estimate that we have given is about 300,000 long tons.

Mr. PALMER. Three hundred and eleven thousand.

The CHAIRMAN. Three hundred and eleven thousand. That increase is by no means proportionate to the increase in consumption in the United States.

Now, let us see on beet sugar. I notice in the year 1905 that beet-sugar production in the continental United States was 216,190 long tons, and in 1910 it was 457,023 tons. Is that increase proportionate to the increase in consumption in the United States?

Mr. PALMER. No, sir. I agree with the Secretary of Agriculture that if it had not been for Cuban reciprocity we could have produced somewhere from a million to a million and a half tons of beet sugar in this country.

The CHAIRMAN. Let us see whether you agree with him or not now. I have a memorandum here referring to page 29 of Senate Document No. 22, which has been referred to so much here and quoted from before. I call your attention to this language, to this prediction that he makes about the possibilities of beet sugar, on page 28 and running over onto page 29 of this Senate Document No. 22, as follows:

The consumption of sugar has been increasing very rapidly in the United States. It has, in fact, doubled in a period of 20 years. While consumption can not be expected to increase so rapidly in future, it is not unreasonable to suppose that it may double again in the next 30 or 40 years. From the figures already given, it appears safe to say that our sugar beet area is sufficient easily to take care of such an increase in consumption. When we consider that the production of cane sugar in our Southern States is likely to increase, and that a large increase of cane sugar may confidently be expected from Hawaii, Porto Rico, and the Philippines, it is evident that the meeting of future demands will bring no greater difficulties than those involved in supplying our present needs.

If, therefore, the possibilities of beet sugar production in the United States are to be judged solely from natural conditions of soil and climate, I believe it is perfectly safe and conservative to estimate that we can produce beet sugar enough, along with the cane sugar produced in the South and in our insular possessions, to supply the entire home demand of the present and of the future.

But I would not be understood to mean that the foregoing statement indicates the limit of possibilities. The production indicated above should by no means exhaust the possibilities of the area outlined, and I believe that area can be vastly increased. I estimate that if the sugar beet were grown throughout those portions of the United States adapted by nature and with the aid of irrigation to its culture, with a system of rotation including the cultivation of the beet every fourth year, 15,000,000 tons of beet sugar could be produced in the United States annually, or more than the world's total production of sugar at the present time.

Do you agree to that, you say?

Mr. PALMER. Yes.

The CHAIRMAN. What is there in the records of the industry that gives a basis for that hope?

Mr. PALMER. For what?

The CHAIRMAN. For that hope, or for that prediction, if you prefer to put it that way?

Mr. PALMER. Why, just before that he tells you. He says:

During the past five years our average production of beets per acre has been 10 tons, and the average extraction of sugar by the factories 12 per cent. The average production of sugar per acre has, therefore, been 2,400 pounds, or 1½ short tons. During the fiscal year 1907-8 we imported from strictly foreign sources (not including the island possessions of the United States) 1,666,795 short tons of sugar.

To have produced this sugar at the average rate of 1½ tons per acre in 1907 would have required 1,389,000 acres of sugar beets. In other words, if our beet acreage for 1907 had been increased by 1,389,000 acres, yielding at the average rate for the past five years, and we had possessed factories to work up the beets, we would have produced enough sugar to supply the entire home demand.

Dividing now the 274,000,000 acres lying within and adjacent to the sugar-beet belt, having soil and climatic conditions adapted to the production of satisfactory beets, by 1,389,000 acres, we find the quotient to be 197. If, therefore, beets had been grown only 1 acre out of every 197 acres of the adapted area, the beets produced would have yielded enough sugar to replace all the foreign sugar we used. Speaking in round numbers, we would, at the present time, have to grow beets on only one two-hundredth part of our demonstrated sugar-beet area (in addition to the area already in use) to make this country self-sustaining in the matter of sugar. If we suppose but one-fourth of the sugar-beet area to be actually devoted to crops, the growing of beets on but 1 acre out of every 50 tilled acres would enable us to stop using foreign sugar.

The CHAIRMAN. Yes.

Mr. JACOWAY. Just one question there.

The CHAIRMAN. Yes; certainly.

Mr. JACOWAY. According to your way of reasoning, then, how long do you think it would take the United States to produce the sugar that is consumed? How many years do you think it would take; make it definite?

Mr. PALMER. If we had stable tariff conditions; if we were sure of conditions—

Mr. JACOWAY. On the hypothesis that the tariff is just as it is now, how long would it take?

Mr. PALMER. And that it was to stay that way for 10 or 20 years?

Mr. JACOWAY. Yes.

Mr. PALMER. Long before the end of 20 years, in my judgment, we would be producing all the sugar we consumed.

Mr. JACOWAY. Ten years, you think, would be sufficient?

Mr. PALMER. I would not say 10 years, but under 20 years.

The CHAIRMAN. Now, let us see, on that very point. So that you say the only reason that the predictions of the Secretary have not been verified, or are not supported by what has actually happened, is because of tariff agitation?

Mr. PALMER. No; I did not say that.

The CHAIRMAN. I thought that was what you said, or I thought that was what your answer amounted to.

Mr. PALMER. No.

The CHAIRMAN. You just admitted that the facts do not show an increase corresponding with the consumption in the country, either of beet sugar or cane sugar, before we got to that.

Mr. PALMER. I said this, that in his opinion and in mine, had it not been for the Cuban reciprocity agitation and the final adoption of

the treaty, we to-day would be producing more than a million, about a million and a half, tons of sugar from beets.

The CHAIRMAN. All right. In other words, that is a tariff change, is it not?

Mr. PALMER. Yes; it is a tariff change.

The CHAIRMAN. And you also mentioned, I think, free Philippine sugar, and possibly sugar from our other insular possessions, all entering into it.

Mr. PALMER. Yes; although that did not enter into this particular equation. We were considering purely the Cuban situation.

The CHAIRMAN. Now, why did the change in the Cuban law with regard to sugar discourage the American beet-sugar producers?

Mr. PALMER. Because everybody was afraid of Cuban annexation; and everybody knows how cheaply sugar can be produced in Cuba. At the time that agitation began we had 86 beet-sugar plants which had cost \$49,000,000, according to the Government reports, and every one of those but 6 were abandoned.

The CHAIRMAN. In other words, the beet-sugar industry will only continue to increase as it is protected, and unless it is guaranteed as an artificial product it could not go into the open markets of the world? Is that the proposition?

Mr. PALMER. I do not think they can produce sugar at our wage rate at the prices that it can be produced for abroad.

The CHAIRMAN. And people are not willing to put their money into it unless they can get a higher price than sugar can be bought for in the open markets of the world? Is that the idea?

Mr. PALMER. That is true.

The CHAIRMAN. Can you tell me, or have you got anywhere in your tables, how the production of beet sugar in Germany was after 40 years of effort? Let us take the year 1830 and compare it with 1870 and see what sort of an increase they had there in that period of time.

Mr. PALMER. Well, I have not the figures for Germany separate prior to 1885.

The CHAIRMAN. Well, there was a tremendous increase from 1830 to 1870. Do you not know that in a general way, even if you have not got the figures?

Mr. PALMER. Yes; but it did not commence to any great extent as early as 1830.

The CHAIRMAN. Well, as I understand it, the German industry was an infant in 1830, and by 1870 it got to be a good-sized affair.

Mr. PALMER. I think I can give you some figures that I have just happened to think of. France was producing 284,440 tons in 1871, while Germany produced only 186,442.

The CHAIRMAN. In 1870?

Mr. PALMER. In 1871.

The CHAIRMAN. That was practically the same thing.

Mr. PALMER. Yes.

The CHAIRMAN. And in 1830 it had none at all?

Mr. PALMER. Very few.

The CHAIRMAN. Very little?

Mr. PALMER. Very little.

The CHAIRMAN. You need not go back of that. I think that is near enough. Do you know what law it has been that has brought about such a wondrous change in the German situation and that has so fostered the industry there?

Mr. PALMER. I know the policy that brought it about.

The CHAIRMAN. The policy of keeping foreign sugars out has done it, has it not?

Mr. PALMER. Yes, sir; the policy of keeping foreign sugars out and the policy of paying bounties on sugar that is exported.

The CHAIRMAN. Exactly. In other words, the high tariff and generous rebates for exports did that work in Germany, and so far as it has been adopted in other foreign countries?

Mr. PALMER. Yes, sir. I have those figures now, if you want me to refer to them.

The CHAIRMAN. If you can, you might give them to me in round numbers. Do not bother about the fractions.

Mr. PALMER. The first record that we have of any quantity of beet sugar produced in Germany, although they produced a little as early as 1801, was in 1836 and 1837, when they produced 1,408 tons.

The CHAIRMAN. Yes. By 1870, as you just said, it got up to 170,000 tons, or something like that?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Had they begun then the policy that afterwards bore such magnificent results, from one standpoint?

Mr. PALMER. It was about that time.

The CHAIRMAN. You have just told us what the policy was; and I agree with you about that, that that fostered the industry in Germany—high tariff and generous rebates on exports. Have you ever figured what that cost the German nation in its sugar bill?

Mr. PALMER. No, sir.

The CHAIRMAN. What that policy cost it?

Mr. PALMER. Have you that table there of Consul General Dietrich's?

The CHAIRMAN. If you can give me the number, I can probably furnish it.

Mr. PALMER. It is a large, thick sheet.

The CHAIRMAN. That is Exhibit No. 7. Here it is right here [indicating].

Mr. PALMER. From 1887 down to 1898 the export bounties of Germany ranged from \$3,000,000, the lowest, to as high as \$30,000,000.

The CHAIRMAN. What did it cost in that time, in round numbers?

Mr. PALMER. I do not know whether that is totaled or not. No; it is not totaled; perhaps \$10,000,000 a year.

The CHAIRMAN. For a period of about 40 years, you figured there, did you not? No; 30 years.

Mr. PALMER. Thirty years. No; 20 years.

The CHAIRMAN. Something like \$300,000,000 in bounties, in all.

Mr. PALMER. Two hundred million, 20 years.

The CHAIRMAN. \$200,000,000 in export bounties alone.

Mr. PALMER. Yes.

The CHAIRMAN. During the same time they had a tariff high enough to keep out all foreign importations?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And of course that was added in the price to the German consumer of sugar, just as it is to-day added to the American consumer of sugar, was it not?

Mr. PALMER. Yes; and, in addition to that, they had very heavy internal taxes.

The CHAIRMAN. Of course that is purely revenue. The local producer did not get any benefit from that.

Mr. PALMER. No.

The CHAIRMAN. Have you made any figures on what the tariff may have cost Germany during that same period of time?

Mr. PALMER. No; I have not.

The CHAIRMAN. Their tariff is about the same as ours; just a little bit higher, is it not, on sugar? It is 2.3 on refined, is it not?

Mr. PALMER. I believe it is.

The CHAIRMAN. Whereas ours is 1.9.

Mr. PALMER. Yes.

The CHAIRMAN. And about the same proportion higher on raw sugar?

Mr. PALMER. Yes.

The CHAIRMAN. Figuring on the German consumption during that period of 20 years, the tariff must have cost the German consumer hundreds of millions of dollars, must it not?

Mr. PALMER. Well, the tariff is so high that the amount of the tariff really does not cut much figure, for the reason that it is so high that you can not import sugar into Germany.

The CHAIRMAN. No; but when it is that high it is a fact, is it not, that the domestic producer and manufacturer adds the duty, or most of the duty, to his domestic product, and to his domestic price.

Mr. PALMER. I do not think so, in Germany. I think it is the excise tax that does that; and there is so much internal competition in Germany.

The CHAIRMAN. Is that so? A witness told us in New York that there was a stronger combination in sugar in Germany than there was in the United States. You have been over there. You do not agree with him?

Mr. PALMER. No, sir.

The CHAIRMAN. He is wrong about that?

Mr. PALMER. I think so.

The CHAIRMAN. I thought so, too. You believe, in other words, that the domestic competition saved the German consumer some of that burden?

Mr. PALMER. Yes.

The CHAIRMAN. But you can not tell how much, offhand?

Mr. PALMER. No, sir; but the price of sugar in Germany, on the Magdeburg Exchange—and it is owing to the internal competition—went down \$9.40 a hundred in 1855 to \$1.97 a hundred in 1906 and 1907.

The CHAIRMAN. I want to invite your attention now to this. You say the secretary's prediction about the possibilities of the American beet industry are reasonable and you think would be carried out and come true if it were not for continual tariff changes and continual possible tariff changes and tariff agitation.

Mr. PALMER. Agitation.

The CHAIRMAN. I want to invite your attention to this statement in the American Beet Sugar Gazette. You know what that paper is, do you not?

Mr. PALMER. Yes.

The CHAIRMAN. That is published where?

Mr. PALMER. At Chicago.

The CHAIRMAN. Do you know the man who edits it?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Here is a statement in an editorial from that journal in 1911. I do not see the date on this piece that I have cut out. I am sorry that I did not save the date. But sometime during the year 1911 this statement is made relative to this continued production of beet sugar, or increased production of beet sugar:

It was expected that renewed interest in the beet-sugar industry would follow the passage of the tariff bill in 1909, and this opinion was borne out by the fact that 47 projects for new factories were mentioned in the columns of this magazine during 1909. Only 1 was built during that year, however, namely, the factory located at Santa Ana, Cal., having a capacity of 600 tons of beets per day. Two new plants were started during the same year, however, 1 located at Paulding, Ohio, with a capacity of 700 tons per day, and the other at Scotts Bluff, Nebr., with a daily capacity of 1,200 tons per day. The 2 last named were put in operation this year—1911—for their first campaign. Although 2 new factories were added to the list last year, 7 that had been in operation in former years were closed down, owing to a lack of beets or other troubles, viz, 1 in New York, 3 in Colorado, 1 in Idaho, and 2 in California. There were 61 factories in operation during the campaign now nearing its end, against 64 in 1909 and 63 in 1908, and so on.

Do you think that is an accurate statement?

Mr. PALMER. I believe so; yes, sir.

The CHAIRMAN. So it does not look as if our beet-sugar industry is increasing as the Secretary predicted it would, does it?

Mr. PALMER. In 1896 and 1897 they had 399 factories in Germany.

The CHAIRMAN. Yes.

Mr. PALMER. In 1906 and 1907 they only had 369, but they produced more sugar than they did before.

The CHAIRMAN. That was on account of the combination, then, was it not?

Mr. PALMER. No; it was on account of the change in the factories.

The CHAIRMAN. I mean consolidation. Some of them went in together at that time, did they not?

Mr. PALMER. They put two or three factories together, with larger capacity.

The CHAIRMAN. I see. It is just consolidation and combination; that is all.

Mr. PALMER. Yes; so the mere fact that there were less factories would not indicate anything.

The CHAIRMAN. No; that might be true. It would indicate, however, either a decreased capacity or an increased combination, one or the other, would it not?

Mr. PALMER. Take it in the case you speak of there, this factory up in New York, at Lyons, N. Y.—my native county, by the way.

The CHAIRMAN. Yes.

Mr. PALMER. It has been owing to bad management that they failed. Take the factories in Colorado. It was for climatic reasons that they did not run. They had a bad season. As to the California ones, I know nothing about that. Oh, the California ones were the Visalia and Corcoran, up near Bakersville, and those were built purely for speculative purposes, land purposes. I know the parties interested in them. We were interested together some years ago. They wanted me to go in and buy the little Rome factory in New York. That was a factory that was put up in France in the early seventies and made a failure. Then it was shipped to

Canada in the early eighties, where it made a failure, and then re-shipped to Rome, N. Y., in the early nineties, where it made a failure.

Mr. RAKER. As far as the Visalia is concerned, there is no finer land and no better climatic conditions in the world than there are there?

Mr. PALMER. True.

Mr. RAKER. It is right in this sugar belt, according to the Secretary of Agriculture.

Mr. PALMER. It is good territory.

Mr. RAKER. It is the same territory as Bakersville, is it not? It is in the sugar belt.

Mr. PALMER. Yes; but they have not the people there.

Mr. RAKER. At Bakersville?

Mr. PALMER. Not Bakersville, but Corcoran.

Mr. RAKER. Oh, I see.

The CHAIRMAN. Now, let us go on from that point. I think I understand it. In the year 1902, Dr. Wiley, our eminent chemist and specialist, made a statement before the Ways and Means Committee of the House of Representatives that his prediction was that by 1911 our consumption of sugar would be 3,330,000 tons.

Mr. PALMER. Is that so?

The CHAIRMAN. Nine years, you see, in advance; and his prediction pretty nearly came true, did it not?

Mr. PALMER. Yes.

The CHAIRMAN. I believe the actual figures for 1911, or the estimate, are 3,350,000 tons. So he was only 20,000 tons off, nine years ago, in his prediction. I want to call your attention to another prediction made at exactly the same time—and I hope to live to see whether this will come true or not: He predicted on that same occasion that by the year 1921—and in view of the closeness of the first prediction, I think it will pay us to listen attentively to this for a minute—our consumption would probably reach 4,750,000, or four and three-quarter million tons of sugar. In 1902, when he made this prediction, our consumption was 2,566,108 tons. In this period there has been an increase of 789,247 tons, or an annual increase of 98,656 tons. In 1911 our consumption will be, as I have already said, about 3,350,000 tons. Our continental production in 1910 was 757,000 tons, and our insular production was about 900,000 tons. So we were getting just about half of our sugar from continental United States and its insular possessions. So that with our consumption increasing over our combined insular possessions—that is, including Porto Rico, Hawaii, and the Philippines—and continental production, and our people taxed \$56,000,000, Congress is asked to continue the existing sugar tax. Now, under what pretext are we to do that? If with the liberal duties, that you say yourself are satisfactory, it becomes apparent that this sugar industry can not keep pace with consumption, then ought we not to take advantage of the lower prices in the world's markets? [A pause.] You say "No," I suppose, in answer to that question?

Mr. PALMER. Most assuredly.

The CHAIRMAN. Why? You said just now that we could not do any better toward increasing production unless you could get some sort of guaranty against tariff agitation and tariff change. How

can you ever get that in a free government, where congresses are liable to change, where public opinion itself changes, and the law and the stability of the law against change can never be guaranteed?

Mr. PALMER. If you would follow out your suggestion to a logical sequence, Mr. Chairman, you would abolish the duties on all things except for revenue.

The CHAIRMAN. Undoubtedly.

Mr. PALMER. And you would allow the foreigners to produce and sell to us everything which they could produce for less money than we can produce them here.

The CHAIRMAN. And put our people to doing something that they can do as well, at least, as the foreigners?

Mr. PALMER. To do that you would have to reduce their wage rate and put them on the basis of other foreign countries.

The CHAIRMAN. We will not discuss that, because I do not agree with you about that. I have too much respect and too much admiration for the American workingman to believe that he is obliged to have protection in order to make him earn as much as somebody else.

Mr. JACOWAY. Have you read Mr. Redfield's speech?

Mr. PALMER. No; I have not.

Mr. JACOWAY. He says that the American laborer is the poorest paid man in the world, because he produces more for what he is paid than any other man.

The CHAIRMAN. There is a difference between labor cost and the cost of labor. That is the point he makes.

Mr. JACOWAY. Yes.

The CHAIRMAN. That point has been made a good many times in Congress.

Mr. PALMER. If you would spend a little time in the countries where they have those beautiful conditions that you speak of I think you would come back here a stronger protectionist than I am. In Great Britain, three years ago, they had 986,000 paupers. That did not include the outer works, but only the people that had to go to the parish to get a penny or a ha'-penny to buy bread with; and it costs the British Government \$80,000,000 a year to support her paupers. It does not cost any other foreign government that I know anything about any such amount of money to support her paupers.

Mr. RAKER. We have about that many in the United States, have we not?

Mr. PALMER. I do not think so. Now, you were speaking of Dr. Wiley's prediction.

The CHAIRMAN. Yes.

Mr. PALMER. It was some 60 years ago that Mr. Justice Byles, of Great Britain, said concerning free trade:

If this suicidal policy of free trade be extensively adopted, it will lead to the very depopulation of the country.

The CHAIRMAN. Was he speaking of England?

Mr. PALMER. Yes, sir.

The CHAIRMAN. When was that prediction made?

Mr. PALMER. Sixty years ago.

Men will find that for some mysterious and unaccountable reason they can not get a living. They will be tempted to desert their native country. But it

is the healthy, the industrious, the thrifty, the energetic, the enterprising, that will go; the halt, the old, the diseased, the idle, the reckless, the debauched, the pauper, will be left behind, not to bear, but to swell the national burdens and insure the national degradation.

Let us see whether he was right or not——

The CHAIRMAN. Let me suggest to you there: Do you not think that man was a worthy predecessor of Joseph Chamberlain? He evidently originated the Chamberlain school over there in England.

Mr. PALMER. I think he was a worthy companion of Dr. Wiley, who made such a fine prediction on this sugar.

The CHAIRMAN. In other words, you mean that that is an accurate prediction of what is happening in England?

Mr. PALMER. I think I can prove it.

The CHAIRMAN. You can?

Mr. PALMER. Here is the emigration from Great Britain and from Germany in the years from 1898 to 1907. In 1898 it was 49,000; in 1899, 46,000——

The CHAIRMAN. What figures are you giving now?

Mr. PALMER. I am giving the figures that are published—well, I have figured them here the same as in the Statistical Abstract.

The CHAIRMAN. That is the emigration from what country?

Mr. PALMER. From Great Britain: 1900, 71,000; 1901, 72,000; 1902, 101,000; 1903, 147,000; 1904, 126,000; 1905, 139,000; 1906, 194,000; and 1907, 235,000. Now, take Germany——

The CHAIRMAN. Have you the figures for 1908, 1909, and 1910?

Mr. PALMER. I have not those figures.

The CHAIRMAN. Have you them for the United States?

Mr. PALMER. Emigration?

The CHAIRMAN. Yes. Do you not know that we have figures that amount, over here, to hundreds of thousands—of emigration from the United States? More than those that you have, I will venture the prophecy.

Mr. PALMER. Into Canada, you mean?

The CHAIRMAN. Well, anywhere they emigrate to—to some other country, just as they did from Great Britain. I will venture the prophecy that in proportion to population the emigration out of the United States during those years, and especially during the last few years you have mentioned, was greater than that. You might consider that.

Mr. PALMER. I will look that up. Now, take the emigration from Germany, where they have pursued a different fiscal policy, and where they have had a greater percentage of increase in population: 22,000 for 1898, 22,000 for 1899, 20,000 for 1900, 20,000 for 1901, 30,000 for 1902, 35,000 for 1903, 27,000 for 1904, 27,000 for 1905, and 30,000 for 1906.

The CHAIRMAN. Just in that connection, have you ever compared the wages of the German workingman with the wages of the British workingman?

Mr. PALMER. I have compared them, but I have not the figures here.

The CHAIRMAN. I have. I have a table that I will put in the record now, showing that year after year the British workingman, under free trade, is at least 25 per cent better paid than the German workingman under a tariff that is higher than ours.

Mr. PALMER. There certainly must be some other reason in connection with it, why you find the streets of British cities filled with workingmen without work and without money to buy bread; and you find their shop counters lined with goods that Great Britain used to export all over the world labeled "Made in Germany," "Made in Austria," "Made in France," and "Made in Belgium." The men who used to make them are going around without money to buy bread with.

The CHAIRMAN. England to-day is the financial controller of the world. When we want any money for anything we have to go there. Under this awful policy that your friend predicted would ruin everybody, the British Government to-day is the greatest, most powerful, and wealthiest Government on the face of the earth.

Mr. PALMER. It is concentrated in the hands of comparatively few people.

The CHAIRMAN. I do not think they have as large fortunes, many of them, as our great American multimillionaires have amassed under the tariff system we have.

Mr. PALMER. But the concentration of wealth in Great Britain is much greater than on the Continent. There is no country in the world where the wealth is distributed so evenly as it is in France.

The CHAIRMAN. Well, I think you are right about that; but the concentration of wealth in Great Britain is not as great as it is in the United States, I think.

Mr. PALMER. I think it is. They have not as many very wealthy people; but they have not the great middle class that we have.

The CHAIRMAN. Of course we are conducting rather an informal debate upon that matter. We will try to get along with the tables if we can—not that I am not enjoying it, but I am afraid that we will weary the committee.

Mr. PALMER. I am enjoying it. This is the only chance I have to get into a debate with you House Members.

The CHAIRMAN. There are some facts connected with the Louisiana sugar situation that I invite your attention to in connection with this tariff matter that are significant to me, and I want your opinion on them if they are facts, and I think these are facts. In 1894 and 1895, that sugar year, Louisiana produced 317,330 tons of cane sugar—practically what its production is to-day. It has not increased anything like in proportion to the increase of consumption, yet they did that under the Wilson tariff bill that carried a duty of 40 per cent ad valorem. How do you account for that? It did not ruin the industry then, did it?

Mr. PALMER. Apparently not; but it probably would have if it had been kept up long enough.

The CHAIRMAN. Let us see about that. You know we have not had, as you very truly said, any very highly protective tariff on sugar, except beginning with the Dingley law. The highest duties before that did not average anything like what the Wilson bill gave, did they?

Mr. PALMER. Oh, yes; our duties were higher before that. Before 1880 they were much higher.

The CHAIRMAN. They were?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Well, I am misinformed entirely if that is so, and I would be glad to be corrected, because I do not want to go down

through this hearing with that mistake in my mind, if it is a mistake. I would be glad to have you give me the figures.

Mr. PALMER. Under the tariff act of August 30, 1842, there was 6 cents a pound; in 1861, 2 cents a pound; in 1862, $2\frac{1}{2}$ cents a pound; in 1864, 3 cents a pound.

The CHAIRMAN. Those were war duties?

Mr. PALMER. Yes, sir. In 1870, 4 cents a pound. The next act was the act of 1883. 96° sugar was 2.24 cents a pound; sugars above No. 20 Dutch standard, $3\frac{1}{2}$ cents a pound.

The CHAIRMAN. Possibly I did not express myself clearly. I meant in the early days—before the war.

Mr. PALMER. If you go back to 1789, it was 3 cents a pound; in 1790 it was 5 cents a pound; and in 1794, 4 cents a pound.

The CHAIRMAN. I know; but go a little farther now.

Mr. PALMER. In 1816 it was 3 cents a pound on brown sugar, 4 cents a pound on white clayed or powdered sugar, 10 cents a pound on lump sugar, and 12 cents a pound on loaf and candy sugar. The next act was that of 1832. On white clayed sugar it was $3\frac{1}{2}$ cents a pound, and on brown sugar $2\frac{1}{2}$ cents a pound.

The CHAIRMAN. Raw sugar?

Mr. PALMER. That was the brown sugar. The raw sugar is the brown sugar, at $2\frac{1}{2}$ cents a pound. The next act was that of 1842, when it was $2\frac{1}{2}$ cents a pound on raw sugar. It was 6 cents a pound on refined sugar.

The CHAIRMAN. In 1833 what was the tax on raw sugar?

Mr. PALMER. That is the act of July 14, 1832. Brown sugar and sirup of sugar cane, in casks, $2\frac{1}{2}$ cents a pound; white clayed sugar, $3\frac{1}{2}$ cents a pound.

Mr. GARRETT. What was it under the Walker tariff? Have you that there?

Mr. PALMER. In 1846, under the Walker tariff, it was three-quarters of a cent a pound on raw sugar and 2 cents on refined sugar.

The CHAIRMAN. There is a tremendous difference there between the raw and refined. I will ask you to pardon me a minute. I want to find a memorandum that I made of these sugar-tariff laws, because some of them do not exactly correspond to the statements you make. Oh, what I was thinking about was the half-cent a pound, which was the increase and not the duty. That is where I make my mistake.

Prior to 1824 the country did not produce as much as 15,000 tons of sugar. That is true, is it not?

Mr. PALMER. I think that is true.

The CHAIRMAN. My figures are to the effect that production reached 15,000 tons in 1824. So that all of those early duties that you mentioned were entirely revenue duties?

Mr. PALMER. Largely revenue duties; yes, sir.

The CHAIRMAN. They were levied at whatever revenue point was thought best or rendered necessary by Government necessities?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Gentlemen, the hour of adjournment has arrived and we will adjourn, and I will try to conclude this examination in the morning.

Mr. JACOWAY. I would like to ask one thing of the witness. When you come on the stand in the morning I would like you to show ex-

actly the cost of the sugar from the time the beet is planted up to the time it is put on the market, giving the various steps and the various costs, and everything connected with it, showing where the cost comes in to the man who produces it.

Mr. PALMER. You have to go to two sources to get that.

Mr. JACOWAY. I know you can do it from what I know of you as an expert on that. That is what I would like you to do in the morning when you come on the stand. I want you to follow it up right from the planting of the beet.

Mr. PALMER. Do not ask me to do it by morning.

Mr. JACOWAY. Well, as soon as you can. From the purchase of the seed, I will say.

Mr. PALMER. It involves considerable work to gather that data.

Mr. RAKER. Is there any bulletin published by this Government on the question of the beet seed?

Mr. JACOWAY. Yes.

Mr. PALMER. Yes; they have a bulletin on beet seed. They sent a man abroad some years ago to investigate foreign seeds; but they did not publish his report.

Mr. RAKER. They did not?

Mr. PALMER. No, sir.

Mr. RAKER. Of course, if we write to them we can get a copy of it?

Mr. JACOWAY. I think so.

(The committee thereupon, at 4.30 o'clock p. m., adjourned until to-morrow, Wednesday, August 2, 1911, at 10 o'clock a. m.)

No. 33

HEARINGS

HELD BEFORE THE

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE
AMERICAN SUGAR REFINING CO. AND OTHERS**

WEDNESDAY, AUGUST 2, 1911

HOUSE OF REPRESENTATIVES

**WASHINGTON
GOVERNMENT PRINTING OFFICE
1911**

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN
SUGAR REFINING CO.**

HOUSE OF REPRESENTATIVES.

THOMAS W. HARDWICK, *Chairman.*

**FINIS J. GARRETT.
WILLIAM SULZER.
JOHN E. RAKER.
H. M. JACOWAY, JR.**

**GEORGE R. MALBY.
J. W. FORDNEY.
E. H. MADISON.
A. C. HINDS.**

AMERICAN SUGAR REFINING CO.

SPECIAL COMMITTEE ON THE INVESTIGATION
OF THE AMERICAN SUGAR REFINING CO. AND OTHERS,
HOUSE OF REPRESENTATIVES,
Wednesday, August 2, 1911.

The committee this day met, Hon. Thomas W. Hardwick (chairman) presiding.

The CHAIRMAN. The committee will come to order and we will resume the hearing.

TESTIMONY OF MR. TRUMAN G. PALMER—Continued.

The CHAIRMAN. I notice, Mr. Palmer, that Table No. 4, which you present—I think I understand the first three pretty well—is “United States tariff and tariff concessions as affecting sugar production.” Well, now, do these figures that you have given show the total production in these countries or the production that is imported into the United States or consumed in the United States?

Mr. PALMER. That is the total. I prepared those figures some time ago—

The CHAIRMAN (interposing). Well, now, some time ago—

Mr. PALMER (continuing). And added in 1909 and 1910.

The CHAIRMAN. You have got 1910 and 1911, too.

Mr. PALMER. I should say 1910 and 1911.

Mr. MALBY. To bring them down to date?

Mr. PALMER. Yes.

The CHAIRMAN. Now, is there any one of these tables that shows the proportion of this sugar consumed in the United States?

Mr. PALMER. No.

The CHAIRMAN. Or how much of the Cuban sugar we get or how much of this 150,000 tons from the Philippines?

Mr. PALMER. No; but practically all of this sugar, except the Philippines—

The CHAIRMAN (interposing). A good deal of that goes to China?

Mr. PALMER. It has been going to China, but the bulk is now coming here.

The CHAIRMAN. It has not reached 100,000 tons as yet, has it?

Mr. PALMER. No. I think it was some 90,000 tons last year, if I remember correctly.

The CHAIRMAN. And of this 1,900,000 tons that Cuba produces, about one and one-half million tons come here; substantially, I mean, or if that is wrong correct me?

Mr. PALMER. My recollection is that they sent about 100,000 tons to the United Kingdom last year.

The CHAIRMAN. Well, they consume some themselves?

Mr. PALMER. Yes.

The CHAIRMAN. I am speaking now of what they send here, which is, in round figures, about a million and a half tons, is it not?

Mr. PALMER. 1,640,182 tons.

The CHAIRMAN. All of the Louisiana sugar is consumed in this country?

Mr. PALMER. Yes.

The CHAIRMAN. And the same thing is true in reference to United States beet sugar?

Mr. PALMER. Yes.

The CHAIRMAN. And all Hawaiian sugar, except that for local consumption?

Mr. PALMER. Yes.

The CHAIRMAN. How much of that comes here?

Mr. PALMER. Last year, 459,128 tons.

The CHAIRMAN. Exactly. They reserved about 26,000 tons for their own use?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And they sent the balance of it here?

Mr. PALMER. Yes, sir.

The CHAIRMAN. That is all about that table. We will take up table No. 5, which is an extract from the United States census reports on the United States beet-sugar industry, as I understand it.

Mr. PALMER. Yes, sir.

The CHAIRMAN. The number of establishments examined in 1904 was 51, I see.

Mr. PALMER. Yes, sir.

The CHAIRMAN. How many were in operation at the time?

Mr. PALMER. Forty-eight. It is in a footnote at the bottom.

The CHAIRMAN. Every one in the country was included in this table?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And three were idle at that time?

Mr. PALMER. Three were idle.

The CHAIRMAN. These figures are exactly as you copied them from the census bulletin?

Mr. PALMER. Yes; the first page there, and then come my deductions, part of which are census figures and part of which are derived from census figures.

The CHAIRMAN. Now, let us see about that; let us see which are official and which are your calculations. The table does not show, does it?

Mr. PALMER. Well, now, you take the first part of that, "Factories and beets." Those are all census figures, except where indicated in the last column by "(b)," based on capital per factory in 1904.

The CHAIRMAN. Those are estimates?

Mr. PALMER. Yes, sir. I took the number of factories in 1904—

The CHAIRMAN (interposing). It may be that that is a fairly accurate way of doing that, but I—

Mr. PALMER (interposing). Well, it is the only way we can do it without bringing your own judgment in. You can do it that way and make a note about it.

The CHAIRMAN. You would have it for the purpose of comparison. We have had most of these sugar people before us and each one has testified about the capitalization, and you would not say those figures were accurate if they were in conflict with what they swore to?

Mr. PALMER. No.

The CHAIRMAN. That is merely your estimate?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Applying that plan to the number of factories in 1909?

Mr. PALMER. Yes.

The CHAIRMAN. Now, you called attention, in another part of your testimony, to the fact that while the German factories had decreased in a certain year, to which you referred, from the previous year, yet in spite of the decrease in the number of factories the capital and product was increasing, as I understood you?

Mr. PALMER. Yes, sir.

The CHAIRMAN. So that might very well be true here?

Mr. PALMER. Yes; I think you will find here that I gave the amount of sugar produced per factory.

The CHAIRMAN. Those are official, are they—the figures showing the sugar produced—your next subhead?

Mr. PALMER. Yes.

The CHAIRMAN. Those are census figures?

Mr. PALMER. Yes.

The CHAIRMAN. From the quinquennial census on manufactures?

Mr. PALMER. Yes.

The CHAIRMAN. Every one of them are official?

Mr. PALMER. Yes; except that in 1909 all we had is this little bulletin.

The CHAIRMAN. Well, what I want to know is whether this second subhead here, "Sugar produced," contains official figures for 1909, or whether they are your estimates?

Mr. PALMER. Those are official.

The CHAIRMAN. Therefore, everything is official, except as indicated by this note, "Raw sugar converted to granulated, on the basis of 100 pounds yielding 90 pounds of refined"?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Well, now, is the basis of 100 pounds of raw yielding 90 pounds of refined the right basis?

Mr. PALMER. It is the basis given to me by Guy Dyer, one of the best sugar men.

The CHAIRMAN. You have heard all of the evidence taken before the committee here in Washington?

Mr. PALMER. Yes, sir.

The CHAIRMAN. That seems to be in conflict with the evidence, does it not? Does not the evidence indicate that there is less loss in converting the raw to refined than that?

Mr. PALMER. There is no evidence relative to beet sugar, the evidence has all been relative to 96° sugar.

The CHAIRMAN. I am speaking of the beet-sugar people, what they said.

Mr. PALMER. This is not what they get out of the beets; this is the amount of raw sugar that they had on hand when the census report was taken, and I reduced it to refined sugar.

The CHAIRMAN. Well, is that the correct standard—90 pounds to the 100?

Mr. PALMER. That is what Mr. Dyer gave me.

The CHAIRMAN. Who is Mr. Dyer?

Mr. PALMER. Mr. Dyer, Guy Dyer, is the son of E. H. Dyer, who was the first man to operate successfully a factory in the United States.

The CHAIRMAN. Well now, of course, as we understand where you get it we can compare it if there is any discrepancy.

Mr. PALMER. Yes, sir.

The CHAIRMAN. Where does he operate?

Mr. PALMER. Mr. Guy Dyer is now in Victoria, in charge of the Government beet-sugar factory in Australia.

The CHAIRMAN. He gave you that estimate sometime ago?

Mr. PALMER. Oh, yes; 10 years ago.

The CHAIRMAN. Your third subhead is "Value of sugar," raw sugar converted to refined. Of course, you use the same basis there?

Mr. PALMER. Yes.

The CHAIRMAN (reading):

Raw sugar converted to refined and valued at same price per pound.

What do you mean by that?

Mr. PALMER. For instance, the census figured so many pounds of sugar for so much money. By dividing that you find how much they figured per pound, and so I carried the raw sugar, after reducing it to refined, at the same price per pound.

The CHAIRMAN. Is that the accurate way to do that?

Mr. PALMER. Oh, yes.

The CHAIRMAN. Then the price of refined would be different from raw, would it not?

Mr. PALMER. The value of raw would be different from the refined; but we do not sell any raw sugar.

The CHAIRMAN. No; you sell refined.

Mr. PALMER. And that raw sugar was on hand, and in the next year would be made up and run through a little at a time with the fresh juice. It is not a by-product, Mr. Chairman. You will notice later on, in estimating the cost of producing, I have taken out the by-products. But that is not a by-product.

The CHAIRMAN. No; I understand that.

Mr. PALMER. It is in the process of manufacture.

The CHAIRMAN. I notice here you give the figures on by-products in the next subhead; are those official?

Mr. PALMER. Yes, sir.

The CHAIRMAN. From the census bulletin?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Well now, of course, the next subhead is simply a compilation of your other subheads. is it not, and obtained by adding together the results at which you arrived?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Now, "Expense of campaigns." Are those figures all official?

Mr. PALMER. They are all official except where noted with letters, and with a notation at the bottom.

The CHAIRMAN. You figure, I see, the cost of making raw sugar into refined sugar on the basis of 33 cents per 100 pounds?

Mr. PALMER. Yes, sir.

The CHAIRMAN. You have already explained why you use that figure?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And you figure beets at \$6 a ton?

Mr. PALMER. Yes, sir; that is the average. Taking all of the prices per ton given to me and dividing by the total number it comes out just \$6 a ton.

The CHAIRMAN. You mean dividing by what?

Mr. PALMER. For instance, Mr. Oxnard gave me \$5.75 to \$6.

The CHAIRMAN. Which did you take?

Mr. PALMER. Both; taking the \$5.75 and the \$6 given by Mr. Oxnard, and putting Mr. Warren's highest figure down and his lowest figure down, the same with Mr. Cutler, and the same with Mr. Morey, and then dividing by the total number.

The CHAIRMAN. Do you think that is the fairest way of doing that? Some of these men are much larger manufacturers than others.

Mr. PALMER. That is true; but that is the fairest way I know of—taking the highest and lowest rate straight through and then dividing.

The CHAIRMAN. That would not be fair. Let me illustrate: Suppose two men were testifying, one of them representing 90 per cent of the industry—in volume of business, I mean—and he gave a very low figure for beets, and another man, representing 10 per cent of the industry, gave a very high figure for beets, you could not add the two together and divide by two and get a fair result, could you?

Mr. PALMER. That would be so in that case, Mr. Chairman, but—

The CHAIRMAN (interposing). I am just illustrating it so that you may see the danger of that sort of figures.

Mr. PALMER. I could see how there might be under such conditions as you outline; but all of these people have testified; four of those men are all very large producers of sugar, and all have several factories.

The CHAIRMAN. How many has Mr. Warren?

Mr. PALMER. Six.

The CHAIRMAN. Mr. Cutler?

Mr. PALMER. Five, I think it is.

The CHAIRMAN. Five; I think that is right. And Mr. Morey?

Mr. PALMER. Morey, I think, has nine.

The CHAIRMAN. And Mr. Spreckels? Well, two, I think. Mr. Oxnard, representing the American Beet Co.?

Mr. PALMER. He had six factories. So they were all large producers.

The CHAIRMAN. But even at that they would not produce anything like equal quantities, would they?

Mr. PALMER. No.

The CHAIRMAN. For instance, Mr. Warren's production is unquestionably greater than any one of them?

Mr. PALMER. Yes; it is considerably larger.

The CHAIRMAN. And Mr. Morey's production, as compared with Mr. Spreckel's production, or as compared with the production of the Utah-Idaho people, would be very much larger, would it not?

Mr. PALMER. Yes. And the Utah-Idaho are larger than Spreckels.

The CHAIRMAN. We have all of those figures in this record and we can draw our own conclusions. The point I wanted to make was that it does not seem to me this gives us a very accurate idea. Now, you did not put Spreckels' down here at all, did you?

Mr. PALMER. No. I do not know whether Spreckels gave the price of beets.

The CHAIRMAN. Yes.

Mr. PALMER. Did he? If I did not put down Spreckels it was an inadvertence.

The CHAIRMAN. And I think he gave as low a price as any of them. I want to see how you arrive at your figures. When you take up the expense per ton of beets, in your next subhead on page 3 of this table, it is simply an application of these figures to the pound basis?

Mr. PALMER. Yes, sir.

The CHAIRMAN. To the ton basis, I mean, instead of the pound basis?

Mr. PALMER. Yes.

The CHAIRMAN. Then you next——

Mr. PALMER (interposing). Next reduce it to pounds.

The CHAIRMAN. Those are all the same figures, put in different quantities of production?

Mr. PALMER. Yes, sir.

The CHAIRMAN. None of these figures are official, except that they are derived from the calculations you made and coupled with such figures as you used?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Now, the next on page 4 is "Investment in land, buildings, machinery," and so forth.

Mr. PALMER. Those are the census figures.

The CHAIRMAN. Let us see. "Average investment per factory." That is just a deduction?

Mr. PALMER. Yes, sir.

The CHAIRMAN. "Average investment per ton," and so forth; that is the same thing?

Mr. PALMER. Yes, sir.

The CHAIRMAN. The percentage is, of course, an estimate, but the original figures on which these calculations are based are official?

Mr. PALMER. Yes.

The CHAIRMAN. Now, "Financial results of campaigns." That is the next subhead, and none of that is official, is it?

Mr. PALMER. Yes, sir.

The CHAIRMAN. What part of it?

Mr. PALMER. Capital invested, except the capital in 1909.

The CHAIRMAN. And that is an estimate made in the manner in which you have already explained?

Mr. PALMER. Yes. Cost of materials, that is official; 4 per cent for depreciation, that is noted by a footnote there, and that is not official. Total cost of campaign is official; the total value of all products is official; the margin for interest and profit is derived.

The CHAIRMAN. These figures, on percentage, you think, are a fair estimate of what they made in these different years?

Mr. PALMER. It is the fairest thing that I can get at.

The CHAIRMAN. Let me invite your attention to some beet-sugar reports on that subject; that is, these leading factories making but a small per cent, and declaring these dividends. I am reading from a report in the American Beet Sugar Journal—I think that is the name of it—or of the Sugar Gazette.

Mr. PALMER. That is right.

The CHAIRMAN (reading):

OGDEN, May 6, 1911.

At a meeting of the stockholders and directors of the Amalgamated Sugar Co., on May 4, article 5 of the articles of incorporation was repealed and a new article, authorizing a capital stock of \$4,000,000 with 40,000 shares of preferred stock of the par value of \$100 each, was substituted. This action is necessary following the retirement of all common stock of the company, which was regularly submitted to the stockholders and directors some months ago.

Now, I want to direct your attention to the fact that this proceeding amounted to more than double the original capitalization of the company. Now, when it came to dividend paying, how could they do that and pay the dividend if they were only making these percentages that you have stated?

Mr. PALMER. Well, in doubling up their stock had they added to their assets? I do not know.

The CHAIRMAN. There was no money involved in the transaction. They just issued preferred instead of common, as I understand this transaction. Let me explain my understanding, and let it go for what it is worth. This company originally had, as most of the companies had, one-half common and one-half preferred, the preferred paying a guaranteed dividend, and the common paying a dividend only after the preferred had paid a dividend. Well now, the object in retiring the common was to put everybody on an equality as to dividends and pay them all alike. Now, how could they do that and continue to pay dividends in that way if they were only making 3.9 per cent during some of these years and less than 1 per cent in other years, and never over 8 per cent in any year?

Mr. PALMER. Well, the first percentage here was 1899, and that was before any of those Utah factories were built.

The CHAIRMAN. 1899 was before any of them were built?

Mr. PALMER. No; in 1891 they built their first factory.

The CHAIRMAN. In other words, would the industry have been sufficiently strengthened to warrant the putting in of capital when it was paying less than 1 per cent return on the money, less than 4 per cent return and never over, according to these figures, 8 or 9 per cent?

Mr. PALMER. Well, I will tell you, I do not think the bulk of our factories have any method, as they do abroad, in the matter of charging off the depreciation, which they should do. Some charge some amount and some charge another amount, and some charge nothing. Well, where they do not charge anything they can pay larger dividends than they are really warranted in paying.

The CHAIRMAN. You have read Mr. Oxnard's testimony about the capitalization of the American Beet Sugar Co.?

Mr. PALMER. Yes.

The CHAIRMAN. And you know from that testimony how much capital was issued against the actual amount of cash that was put into the concern?

Mr. PALMER. I think you figured it at about the present par value of the stock?

The CHAIRMAN. I did not speak of the present par value, because that is determined by the dividend-paying capacity, as you well understand.

Mr. PALMER. Well, they never paid any dividends on the common stock.

The CHAIRMAN. I know; but the preferred has paid a good dividend, and, of course, the common is enhanced as they continue to heap up the profits, and it has a market value now. But what I meant was, you heard his statement about the amount of capital issued against the money actually put in the concern?

Mr. PALMER. Yes.

The CHAIRMAN. Well, now, I want to call your attention to this report of the American Beet Sugar Co. in order to test the accuracy of these figures. I am reading again from this same Gazette. I have not the date here, but it was some time in April, 1911, as I understand it. It is headed:

American Beet Sugar Co. sets new high record. The report of the American Sugar Co. for the year ended March 31, 1911, shows total income of \$8,357,012, an increase of \$1,347,368 over the previous year, and a surplus, after preferred-stock dividends, of \$1,643,659, equal to 10.95 per cent earned on the \$15,000,000 of common stock, compared with \$1,097,252, or 7.31 per cent, earned in the previous year. The common stock has not yet paid any dividends. The preferred pays 6 per cent. Comparative results for the past three years follow.

Then he gives the figures for 1911, 1910, and 1909. For 1909 the gross receipts were \$7,135,326; total income, \$7,156,855; expenses, interest, tax, etc., \$5,863,713; balance, \$1,293,143. Well, now, we will take 1910: Gross receipts, \$6,983,772; total income, \$7,009,644; expenses, tax, interest, etc., \$5,612,391; balance, \$1,397,252. For 1911: Gross receipts, \$8,344,792; total income, \$8,357,012; expenses, interest, tax, etc., \$6,413,353; balance, \$1,943,659. Preferred dividends, \$300,000 in each of the years 1911 and 1910 and \$245,400 in the year 1909, leaving a surplus of \$1,643,659 in the year 1911, \$1,097,252 in the year 1910, and \$1,047,743 in the year 1909. "The general balance sheet as of March 31 shows total assets of \$22,577,371." They capitalized at 30, both common and preferred.

Mr. PALMER. At 20.

The CHAIRMAN. And they claimed to have \$22,577,371, including cash and accounts receivable of \$1,014,408. [Reading:]

The reserve for working capital is \$1,825,637, against \$832,151 a year ago, and there is a reserve for betterments and improvements—

that seems to be a new thing, and it looks like they are up to date in that respect—

of \$377,246, a new item. Bills payable to the amount of \$1,266,000, which appeared in the previous balance sheet, have been paid off. H. R. Duval, president, says: "The surplus has been applied to working capital, which is now adequate for ordinary operations. The company is now free of all debt. There was an increased production of 196,741 bags, exceeding that of any former year. The increase was principally due to California, though Grand Island increased 31,704 bags. In Colorado the decrease was 88,624 bags. Due largely to increased efficiency of the plants the cost of making sugar, as compared with previous campaigns, was somewhat diminished. Taxes increased \$30,989. of

which \$25,560 was the Federal corporation income tax. Depreciation and maintenance cost \$344,842—was \$13,119 less than last year”—

You see they did figure depreciation—

“The design of this expenditure (included in the above statement in expenses) is to keep the plants up to their original condition.”

How does that compare with your deductions? That is one of the biggest companies.

Mr. PALMER. \$344,000 was a very small amount for depreciation, I should think. It seems to be customary in Germany to charge 8 per cent on machinery.

The CHAIRMAN. Do you not suppose that these men who run the business know what is the fair way to figure depreciation?

Mr. PALMER. They certainly are not a unit on it.

Mr. MALBY. Did they have that surplus?

The CHAIRMAN. Yes; according to this financial statement they had.

Mr. MALBY. They would not charge up more for depreciation than they had. If they did not have it they would not charge anything.

The CHAIRMAN. No; they charge that for expenses.

Mr. MALBY. I say, if they had a surplus, after paying the fixed charges—

The CHAIRMAN (interposing). And depreciation?

Mr. MALBY (continuing). They might allow something for depreciation; but if they did not have anything they would not.

Mr. PALMER. And Mr. Oxnard informs me that that \$344,000 is not for depreciation; that is for repairs and maintenance.

The CHAIRMAN. It is depreciation and maintenance; that is what the report says that they made to the public; of course, I do not know anything about it except what I see from their report.

Mr. MALBY. The detailed statement did not seem to show that; or at least I did not catch it that way.

The CHAIRMAN. No; the detailed statement did not seem to show it, but Mr. Duval, the president, made a public statement, in which he said—is Mr. Duval the president of this company—H. R. Duval?

Mr. PALMER. Yes.

The CHAIRMAN. He says, “Depreciation and maintenance cost \$344,842.” Evidently they figured on depreciation in this case, did they not?

Mr. PALMER. Simply for repairs to the plant, Mr. Oxnard says.

The CHAIRMAN. Let me call your attention to this: “And there is a reserve for betterments and improvements of \$377,246, a new item.” So, evidently, according to this statement, which was published, that appears to be true.

Mr. PALMER. It would appear so.

Mr. MADISON. Now, just for my information, and in order that I may know what credit to give to your testimony, I want to know if you know a thing on earth about the workings of the American Beet Sugar Co. from a business standpoint, and if you know what these items are?

Mr. PALMER. I do not.

Mr. MADISON. Are you able to testify about them?

Mr. PALMER. No.

The CHAIRMAN. But he put his deductions and conclusions on the ground that they did not allow for depreciation as they ought to do, and I am calling his attention to the fact that one of the biggest companies in the business is doing it, and it may be the balance of them are doing it.

Mr. MADISON. I merely asked the question in order to determine what weight I should give to the witness's testimony as to these items.

The CHAIRMAN. He says he does not know anything about them at all.

Mr. PALMER. I may have seen this calculation, but I have not preserved it.

The CHAIRMAN. And your figures do not allow for that?

Mr. PALMER. Yes; you have in my figures 4 per cent for depreciation.

The CHAIRMAN. How is that?

Mr. PALMER. On the last table, on page 4 of that census report, 4 per cent for depreciation.

The CHAIRMAN. In other words, you pick 4 per cent?

Mr. PALMER. I take 4 per cent.

The CHAIRMAN. You say that is what their profits would be, allowing 4 per cent?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Now, let us go on a little more with this same report of the American Beet Sugar Co. [Reading:]

Referring to the splendid showing made by the American Beet Sugar Co., the Boston News-Bureau says, in its issue of May 12, 1911: "Considering the serious manufacturing difficulties which American Beet Sugar encountered, its net earnings for the last fiscal year of \$1,643,639, or 10.9 per cent on the \$15,000,000 common stock, must be considered extremely creditable."

That is right; they earned that per cent on the common, after paying dividends on the preferred?

Mr. PALMER. Yes.

The CHAIRMAN (reading):

This increase in the common-dividend balance of nearly 50 per cent over 1909 was made possible by a gratifying improvement in operating efficiency, and it is reasonable to assume that cost of making sugar might have been even further reduced had not certain sugar-beet diseases forced curtailment of production. American Beet Sugar at the beginning of the current fiscal year had not a dollar of floating debt. This fact means much to common stockholders, inasmuch as it has often been said that elimination of floating debt was a condition precedent to any payment to holders of the \$15,000,000 stock. Two years ago the company owned a total of \$3,217,501, which included \$3,000,000 certificates of indebtedness bearing 6 per cent interest. It is apparent, therefore, that retirement of this issue has saved the company \$180,000 annually in interest charges.

In other words, from their profits they paid \$3,000,000, besides having this surplus for the years that their report shows. Is that right?

Mr. PALMER. How long ago was it they had \$3,000,000 of indebtedness?

The CHAIRMAN (reading):

Two years ago the company owned a total of \$3,217,501, which included \$3,000,000 certificates of indebtedness bearing 6 per cent interest.

Mr. PALMER. In two years they paid all of that?

The CHAIRMAN. Besides having this surplus, as this statement shows.

Mr. PALMER. But they paid no dividends on the common stock in the meanwhile.

The CHAIRMAN. But at the end of two years they had paid off a debt of about \$3,250,000—not quite—and had accumulated this \$1,600,000, which paid nearly 11 per cent dividend on the common.

Mr. PALMER. To do that they sold \$1,000,000 worth of preferred stock that they had in the treasury.

The CHAIRMAN. Well, they paid 6 per cent on that; did they not?

Mr. PALMER. Well, they had not been paying anything on that; it had not been issued.

The CHAIRMAN. But that did not pay nearly \$4,000,000?

Mr. PALMER. Well, we would expect they are going to make something.

The CHAIRMAN. They made enough to pay \$1,750,000 and a million and six hundred thousand odd dollars, making nearly \$4,000,000, and even if they issued \$1,000,000 worth of preferred stock and sold it they did a pretty profitable business in those two years, did they not?

Mr. PALMER. The report shows that they were doing a profitable business.

The CHAIRMAN. Making a good deal of money and a great deal more than indicated in your figures? Why did you not carry those figures through 1910 and 1911?

Mr. PALMER. Because I based those figures on the census.

The CHAIRMAN. Can not you give us the figures for 1910 and 1911?

Mr. PALMER. I do not think the figures I would give you would be considered anything like as authoritative as the census figures.

The CHAIRMAN. I expect they would if you would get them from the reports of the beet-sugar companies. In that way I think they would be nearer the truth. Could you do that from the reports?

Mr. PALMER. I did not assume that to be the case. I attempted to give some authority for the statement I made.

The CHAIRMAN. Would you not think that a statement made by the company itself would be good authority?

Mr. PALMER. Yes, sir.

The CHAIRMAN. You think this is good authority as to the American Beet Sugar Co.?

Mr. PALMER. I should say so; but there are very few companies that make any statements.

The CHAIRMAN. Well, now, let us see about some more companies. We will pass on for a moment and take the Michigan Sugar Co. Of course, your figures include the Michigan companies, although they are not among the list of your clients, and therefore it is proper for us to consider them. I will read again from this Beet Sugar Gazette:

The regular annual meeting of the stockholders of the Michigan Sugar Co. was held in the Eddy Building, Detroit, Mich., Wednesday afternoon, May 25. There was a representative attendance to hear the statements of the officers as to the year's business—1910. The year was a profitable one, the company being able to show a surplus of \$3,025,000 after expending over \$3,500,000 for labor and beets, and also after paying regular dividends, not only on the preferred, but on the common stock as well. As the Wednesday meeting was the regular annual meeting, no dividend was declared.

They are doing pretty well, are they not?

Mr. PALMER. I think Mr. Warren stated here that in order to make up those dividends they had created a surplus from year to year and finally paid it out in dividends, as I remember.

The CHAIRMAN. Well, they made it out of the business before paying it in dividends?

Mr. PALMER. Yes; and they had been in business a good many years, and they had not made it that year, as I understand it.

The CHAIRMAN. No; his testimony will show exactly how many years?

Mr. PALMER. Yes.

The CHAIRMAN. Well, you would say that was a reliable view of the financial situation—that report?

Mr. PALMER. Yes.

The CHAIRMAN. You would regard that as more reliable than census figures?

Mr. PALMER. For that one company.

The CHAIRMAN. Let us go on with the Michigan companies. [reading:]

Special correspondence from Detroit, July 6, 1910, to the Beet Sugar Gazette. Offers of 121 for stock in the Michigan Sugar Co. have been made within the last month, and the stock is now considered one of the best on the Detroit, or for that matter, any market. The enormous profits, coupled with the favorable prospects are the causes for the increase in interest and price in stock. The net profits of the Michigan Sugar Co. in 1909 exceeded \$1,500,000, and the financial statement submitted at the annual meeting last month showed a surplus of \$3,000,000. By a person in close touch with the workings of the company it is stated that the earnings from the sale of the by-products is almost enough to meet the dividend payments. The stock has trebled in value in little more than a year.

The beet-sugar companies are doing pretty well in Michigan, are they not?

Mr. PALMER. Quotations of stock, I should say, are a pretty fair index as to whether these companies are making an inordinate amount of money or not.

The CHAIRMAN. Yes.

Mr. PALMER. You find that 7 per cent railroad stocks and industrials are selling along anywhere from 110 to 125; the American Beet Sugar Co.'s stock is quoted to-day at 56 and 55. You just read there 121. That would not indicate that they were making any inordinate profits.

The CHAIRMAN. They say it has trebled in value in a little more than a year; that is doing pretty well, is it not?

Mr. PALMER. Well, yes; they had a good year.

The CHAIRMAN. That is a pretty good profit, even for a tariff-protected industry, is it not?

Mr. PALMER. But that is not an index of what they will do in the future.

The CHAIRMAN. We only have one rule by which to judge the future, and that is the past, to a certain point.

Mr. PALMER. They had a series of hard years and they finally got a good year, and their stock went up a little above par.

The CHAIRMAN. Now, just reading another comment from this same Gazette:

"Michigan Sugar stock is now one of the best investments possible," says a local broker who has been prominent in handling the stock. "There are more

buyers for it than there is stock for sale, and probabilities are an even higher mark than already touched will be reached before the break comes. All Michigan sugar companies are prospering. When the trust came into the State some years ago it smashed many independent companies, but in recent years, due to the improved methods of growing and manufacturing, which permit large profits to the farmer and extraordinary profits to the factory, several independent companies have been rehabilitated and are now sharing in the general prosperity."

What do you think of that?

Mr. PALMER. I think that is very encouraging.

The CHAIRMAN. Well, it is true, is it not?

Mr. PALMER. That I do not know; but that is very encouraging reading.

The CHAIRMAN. Do you think that is a correct statement of the beet-sugar industry in Michigan?

Mr. PALMER. I think, generally, that is a fair description of conditions in Michigan.

The CHAIRMAN. Is that, in your judgment, a fair description of conditions there?

Mr. PALMER. I should think so.

The CHAIRMAN. Now, here is another quotation of June 9, 1910, about this same Michigan beet subject. [Reading:]

The all-absorbing subject in Michigan beet-sugar circles this last month—

This is 1910, and the article to which I refer has reference to the year 1909—

was the grand year reported by the Michigan Sugar Co., operators of six plants in this State in 1909. Last year's record shows a surplus of \$3,025,000, after an expenditure for beets and labor of \$3,500,000. In the meantime, regular dividends have been paid on both preferred and common stock, although there was no issuance of a dividend at the annual meeting.

Of course, that is just a rehash, as I see now. Then we go to Colorado. The concerns about which I have been reading are the very biggest in the business, are they not?

Mr. PALMER. Yes, sir.

The CHAIRMAN. I will read again from the Beet Sugar Gazette, which is a standard publication and reliable?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And published in the interest of the beet-sugar industry?

Mr. PALMER. Yes, sir.

The CHAIRMAN (reading):

Great Western Sugar Co. dividend. The Great Western Sugar Co., of Denver, Colo., has declared two quarterly dividends of 1½ per cent each on the common stock. The first is payable July 2, to stock of record June 15; the second is payable October 3, to stock of record September 15. The company has declared quarterly dividends on the preferred stock for a year to come. The first is payable July 2, to stock of record June 15; the second, October 3, to stock of record September 15; the third, January 2, 1911, to stock of record December 15, and the fourth, April 3, 1911, to stock of record March 15, 1911. There is \$13,130,000 preferred and \$10,544,000 common outstanding. The company has paid dividends on the preferred stock since 1905 at the rate of 7 per cent. The first dividend on the common stock was paid in January of this year at rate of 5 per cent.

Would you say that is a true statement of the conditions so far as the Great Western is concerned?

Mr. PALMER. I should judge so. They did not commence to pay dividends on the common stock until just recently, as I recollect. The last quotation I have heard on their common stock was 89.

The CHAIRMAN. Do you know how much of that Great Western common represented real value at the time it was issued?

Mr. PALMER. No.

The CHAIRMAN. Of course we will look to the evidence for that. So they have been paying 7 per cent on the preferred and recently paid 5 per cent on the common; and that has a market value of how much, did you say?

Mr. PALMER. 89, I think.

The CHAIRMAN. Now, let us see; here is another, the German-American Co., of Michigan. [Reading:]

Stockholders in the German-American Sugar Co., of Monitor Township, have received checks for a 30 per cent return on their investment, the checks covering a 15 per cent annual dividend and a 15 per cent extra. This company is a co-operative concern, the stockholders being for the most part farmers.

That is a pretty fair return, is it not?

Mr. PALMER. I presume they do, as they do in Germany, pay a low price for the beets and get the balance of their price out of the dividends.

The CHAIRMAN. That may be true, and I would like to know about it, and to what extent it is true. In other words, what price that company paid for its beets. Do you think you could get us that information?

Mr. PALMER. It is possible.

The CHAIRMAN. Suppose you make a memorandum about that and get that information for us?

Mr. PALMER. That custom is very common in Germany.

The CHAIRMAN. It may be true in this case. Now, just one apparently detached question. Could you tell me the amount of sugar production in the campaigns of the seasons of 1846 and 1847?

Mr. PALMER. No; when Mr. Austin comes here I think I can give it to you from the Statistical Abstract.

The CHAIRMAN. Let me give you the figures that I have gotten, beginning with 1855 and ending with 1861 and 1862, in Louisiana: 1855-56, 113,600 tons; 1856-57, 36,800 tons; 1857-58, 137,500 tons; 1858-59, 185,200 tons; 1859-60, 13,400 tons; 1860-61, 117,400 tons; 1861-62, 235,800 tons. Do you remember what the tariff rates were during that time? This is a little out of order; I intended to ask that question yesterday, but overlooked it somehow when we were on that subject.

Mr. PALMER. In 1861?

The CHAIRMAN. Well, from 1846 on to 1861, or when the next change was after 1846, when the Walker tariff bill was on up to the time of the change?

Mr. PALMER. The Walker tariff was 30 per cent ad valorem. That went into effect July 30, 1846.

The CHAIRMAN. When was it changed?

Mr. PALMER. And remained in effect until March 2, 1861.

The CHAIRMAN. So that the sugar crop of 1861 was raised under the Walker tariff?

Mr. PALMER. Yes. The prices of sugar were very much higher than they are now.

The CHAIRMAN. That is true, but the protection did not do it.

Mr. PALMER. No.

The CHAIRMAN. They had 30 per cent?

Mr. PALMER. Yes. That would amount to a great deal more.

The CHAIRMAN. Well, it is the same relative amount? 30 per cent is 30 per cent, whether it is 30 per cent of 100 or of 10?

Mr. PALMER. No. If sugar is worth 6 cents, 30 per cent is \$1.80 a hundred, and if sugar is worth 3 cents, 30 per cent is 90 cents a hundred.

Mr. MADISON. What was sugar worth then?

Mr. PALMER. I can give it to you as soon as Mr. Austin comes up.

Mr. MADISON. Well, approximately; do you remember about what sugar was at the opening of the war?

Mr. PALMER. Somewhere from 8 to 12 cents, I should say.

The CHAIRMAN. At the same time the cost of production was higher than it is now?

Mr. PALMER. Yes; undoubtedly higher.

The CHAIRMAN. The processes had not improved as much, manufacturing was not improved as much, nor was cultivation and culture improved as much?

Mr. PALMER. No; but they had cheaper labor.

The CHAIRMAN. What do you mean by cheaper labor, slave labor?

Mr. PALMER. Yes.

The CHAIRMAN. Well, there is some difference of opinion about that. It has been said that slave labor is the most expensive labor, but I am not going into that.

Mr. PALMER. I know the Porto Ricans called the slave-labor time the "golden era of sugar production in Porto Rico."

The CHAIRMAN. You think, then, that slave labor was cheaper?

Mr. PALMER. I would not express an opinion on it, because I do not know enough about it.

The CHAIRMAN. I doubt it myself.

Mr. PALMER. But it is generally understood——

The CHAIRMAN (interposing). That it is higher, is it not?

Mr. PALMER. No; I do not think so; but that is a mere matter of opinion.

The CHAIRMAN. Now, on your Table No. 7, "Twenty-five years' progress in the production of certain staple crops in United States and Germany," are all those figures official?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Every one of them?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And there are no deductions of your own in there?

Mr. PALMER. No, sir.

The CHAIRMAN. Turn to the second page. Are those your deductions from the figures, or are they all official figures?

Mr. PALMER. The total value of the yield, the first total there, is quoted. The values for both Germany and United States are based on United States farm values December 31, and they are official figures.

The CHAIRMAN. Why did you take December 31?

Mr. PALMER. Because that is the only date that the yearbook gives us; each year they give the figures on December 31.

The CHAIRMAN. They do not give the average for the year?

Mr. PALMER. Well, they make that the average for the year, as I remember.

The CHAIRMAN. Do they just take the arbitrary figures for the one day? I want to know how that is, in the consideration of this table.

Mr. PALMER. I know this—that the figures in that yearbook are the figures of December 31.

The CHAIRMAN. In other words, you took those from the yearbook?

Mr. PALMER. Yes; I took them from the yearbook.

The CHAIRMAN. Just as you got them?

Mr. PALMER. Just as I got them.

The CHAIRMAN. We can tell from the yearbook how they arrived at them. And the German figures are all official, there, from yearbooks?

Mr. PALMER. Yes; except, as I say there, the figures as to the price of the product are the American figures.

The CHAIRMAN. This analysis that you have given on page 3—those are not your figures?

Mr. PALMER. No; but you can not figure it over and get any other result.

The CHAIRMAN. I did not mean that you could. I just wanted to see, so that I could verify them in cases where they came in later.

Mr. PALMER. Yes.

The CHAIRMAN. I notice that Table No. 8 shows the progress of the beet-sugar industry in the United States by States.

Mr. PALMER. Yes.

The CHAIRMAN. Are those figures official in each instance?

Mr. PALMER. Yes.

The CHAIRMAN. The reason I ask this is that you do not mention the report. You do say here: "From annual reports of C. F. Saylor." Well, I will not go into that. Those are taken exactly from the reports?

Mr. PALMER. Exactly; there is only one thing that is added.

The CHAIRMAN. What is that?

Mr. PALMER. Next to the last crop, average loss in extraction.

The CHAIRMAN. Where do those figures come from?

Mr. PALMER. Those come from deducting the extraction from the total sugar in the beet. Mr. Saylor does not show the difference.

The CHAIRMAN. In other words, it is a calculation from his figures?

Mr. PALMER. Absolutely.

The CHAIRMAN. And you put in no figures of your own from any other source, except that calculation?

Mr. PALMER. No, sir.

The CHAIRMAN. Now, we come to the next table, No. 9, "German sugar industry." You say those figures are all from Otto Licht.

Mr. PALMER. Yes.

The CHAIRMAN. Who is he?

Mr. PALMER. He is the great sugar statistician of Germany.

The CHAIRMAN. Did you get those from a book or a report, or from what?

Mr. PALMER. He issues a sheet very much like Willett & Gray's.

The CHAIRMAN. Oh, yes.

Mr. PALMER. In fact, Willett & Gray's is patterned on that; and then once a year he issues a large sheet that gives the figures away back.

The CHAIRMAN. The sum?

Mr. PALMER. Yes.

The CHAIRMAN. The next one, No. 10, is the German sugar syndicates, and that seems to be a description of the German cartel.

Mr. PALMER. Yes.

The CHAIRMAN. You put that in, of course, for what it is worth, as Willett & Gray's description of how it operates there.

Mr. PALMER. Yes.

The CHAIRMAN. Do you know, of your own knowledge, whether this is substantially correct or not, or do you not know?

Mr. PALMER. No; I do not know. It is a very complicated affair.

The CHAIRMAN. Does the German sugar cartel operate now?

Mr. PALMER. No, sir.

The CHAIRMAN. Did the Brussels convention put it out of business?

Mr. PALMER. Yes, sir.

The CHAIRMAN. So that that no longer affects the present situation of the world's sugar market?

Mr. PALMER. No, sir.

The CHAIRMAN. Although it may have once done so? It did probably do so.

The next exhibit you put in is the copy of the proceedings of the sugar conference at Brussels, usually called the Brussels convention?

Mr. PALMER. Yes.

The CHAIRMAN. March 5, 1902. I will not go into the contents of that with you, because I believe it speaks for itself. We are all very much interested in it, and I will ask you two or three questions about it. In the first place, did the United States participate in any way directly in that conference?

Mr. PALMER. No; but indirectly we were in a measure responsible for it.

The CHAIRMAN. How? That is very interesting. Tell us.

Mr. PALMER. The foreign countries—European countries—had been giving bounties for some years, and those bounties operated very greatly against the cane-sugar people, and in our tariff act of 1897—the Dingley bill—we put in a countervailing-duty clause. It amounted to 27 cents a hundred pounds, I believe, on raw sugar from Germany. We countervailed to just the extent that they gave bounties.

The CHAIRMAN. We charged that much more duty?

Mr. PALMER. Yes.

The CHAIRMAN. That is what you mean by a countervailing duty?

Mr. PALMER. Yes. We made them drop that much to our customs and put it all on an even basis, and shortly after that, when that got into effect, the Indian Government took the matter up with Great Britain, the mother country, and they passed a countervailing-duty act on sugar, and then later on came this agreement. We were really the first country to take definite action.

The CHAIRMAN. And the weapon we used against that system, to protect our producers against it, was to adopt what is known as the countervailing-duty system?

Mr. PALMER. Yes.

The CHAIRMAN. To wit, where the exporting country allowed a bounty, we would increase our import duty to the same extent?

Mr. PALMER. Yes.

The CHAIRMAN. That is an accurate description of what we did?

Mr. PALMER. Yes.

The CHAIRMAN. And you say that was the real beginning of the movement?

Mr. PALMER. That was the beginning of definite action. Years before Great Britain had taken this matter up with the foreign countries, with the continental countries; but they never could arrive at a decision. They had it up away back in 1875, 1876, and 1877, but they could not arrive at any decision on it.

The CHAIRMAN. Who moved to secure this Brussels convention; do you know?

Mr. PALMER. Great Britain.

The CHAIRMAN. Great Britain?

Mr. PALMER. Yes.

The CHAIRMAN. Great Britain was the moving party, and all the balance of the contracting or signatory powers were European continental powers?

Mr. PALMER. Yes. Here was the situation, Mr. Chairman: Great Britain has a good many sugar-producing colonies, and they were going into decay. They could not sell sugar to their home country. These immense bounties given had had the effect——

The CHAIRMAN. They had even taken the English market away from them?

Mr. PALMER. They had even taken away the English market, and the only way Great Britain got these people to agree to it was by threatening to exclude their sugars absolutely.

The CHAIRMAN. From the English market?

Mr. PALMER. From the English market.

The CHAIRMAN. That is very interesting. I wonder why we were not a party to that convention. Do you know why? Was any effort made to obtain the participation of the United States in this convention, or do you happen to recall? It is just a matter of history. If you know about it, tell us. Of course, if you do not know——

Mr. PALMER. I do not think we were invited.

The CHAIRMAN. You do not think we were invited?

Mr. PALMER. No.

Mr. MADISON. Are you through with that answer?

Mr. PALMER. Yes.

Mr. MADISON. An interesting phase of that matter is, why did England, whose colonies are practically independent, and have been ever since we taught them a forcible lesson about 135 years ago, stand for this sort of thing that you have just stated, when her people, her forty or fifty millions of people, were getting the benefit of a cheaper sugar?

Mr. PALMER. Well, they did not believe that it was a fair benefit. They did not believe it was a fair benefit, and a great many influential people in Great Britain are interested in enterprises in their various colonies, and they brought pressure to bear.

Mr. MADISON. Those were the two considerations? One was that they did not think that it was, under all the circumstances, a fair advantage, and the other was that their people were interested in colonial investments?

Mr. PALMER. Yes, sir.

Mr. MADISON. Part of which were in sugar?

Mr. PALMER. Yes.

Mr. MADISON. And interested in the prosperity of their colonies?

Mr. PALMER. Yes. They were going into decay very rapidly. If Great Britain had not taken that action, I think that by this time the cane-sugar industry would be largely a thing of the past, with the exception of such countries as furnish us. This country and Great Britain form the only two large markets for sugar.

Mr. MADISON. Do you think, then, that as a matter of fact the British statesmen, in dealing with the question, looked at it as a broad proposition involving the entire Empire—the British Empire?

Mr. PALMER. Yes.

Mr. MADISON. And as an economic policy, tending to the advantage of all the English people—by that I mean those under the English flag, the British flag——

Mr. PALMER. Yes.

Mr. MADISON (continuing). It was to the advantage of the Empire as a whole to adopt the policy which they did finally adopt?

Mr. PALMER. Yes, sir; that is the position that they took; and you must understand that they met a great deal of opposition. The confectionery men and other users of sugar in large quantities were getting their sugar for less than the cost of production, and they were very much opposed to Great Britain doing anything of this sort; so that it took a good deal of stamina.

Mr. MADISON. How much of a sacrifice did the people of England make for the good of the Empire as a whole in this instance? In other words, getting it down to a dollar and cents proposition, do you know about how much they were getting sugar for and how much they have had to pay since?

Mr. PALMER. No; but if you would apply 27 cents a hundred pounds to such portion of the British sugar as came from the Continent, it would show.

The CHAIRMAN. In other words, apply those figures to British consumption in the succeeding years?

Mr. PALMER. Yes. I may be able to give that to you. There is some interesting matter in here on that subject, but I do not see that they have capitalized it to show how much it amounted to.

Mr. MADISON. Well, it did make a material difference, did it not, in the sugar bill?

Mr. PALMER. Yes.

Mr. MADISON. Can you take 27 cents a hundred pounds and apply it to the average consumption since then and find out what it is?

Mr. PALMER. Yes, you could.

The CHAIRMAN. That would be the basis of it.

Mr. MADISON. Yes.

Mr. PALMER. It seems that they had to help the West India people to tide over those years. When eventually the Brussels convention went into effect a free imperial grant of £250,000 had to be made to enable the industries in the West Indies to tide over the period

until the convention became operative. That is a million and a quarter dollars.

The CHAIRMAN. I notice one condition in this convention was that England should not give any of her colonies a preference in sugar duties over any one of the contracting parties.

Mr. PALMER. Yes; she never has.

The CHAIRMAN. They evidently were afraid she might, and put that in the contract.

Mr. PALMER. Yes. France is the only country in Europe that makes any concession whatever.

The CHAIRMAN. To her colonies, in the sugar matter?

Mr. PALMER. Yes; they give a discount equal to the freight.

The CHAIRMAN. A deduction of that much from the tariff?

Mr. PALMER. Yes.

The CHAIRMAN. That is interesting. This Brussels convention must have had a wonderful effect on the sugar situation throughout the world?

Mr. PALMER. Oh, it did.

The CHAIRMAN. I understand it revolutionized conditions and changed the figures on the map.

Mr. PALMER. Yes.

The CHAIRMAN. I understood you to say—I may be in error, and if I am I want to correct it in my own mind—and I think I have heard it from other people, that this Brussels convention sounded the death knell of the European kartels. Is that right or not?

Mr. PALMER. Yes.

The CHAIRMAN. In what way?

Mr. PALMER. There are some slight changes now. The Austrian people, many of them, are complaining that the State railroads give such low rates on sugar for export that they lose money on them, and consequently the people have to make it up in other taxation.

The CHAIRMAN. They have to pay the bill?

Mr. PALMER. Yes. I found that case in Austria.

The CHAIRMAN. The Austrian Government operates the railroads?

Mr. PALMER. Yes; and in Germany. You know, their system over there, not only in Germany, but in other continental countries, is to expedite the dumping of their surplus.

The CHAIRMAN. If you ship a quantity of goods from some inland point in Germany to Hamburg, you get a lower rate of freight from the State railroads if it is for export. Is that true in any other country, or do you know?

Mr. PALMER. I do not know.

The CHAIRMAN. Have you ever looked into that question?

Mr. PALMER. No; I have not, but it is customary over there, and they do not seem to object to it at all.

The CHAIRMAN. I thought you said some of them did object to it in Austria.

Mr. PALMER. Yes, sir; in a measure.

Mr. MADISON. You were talking about Germany?

Mr. PALMER. Yes.

The CHAIRMAN. Oh, you mean Germany does not object to it?

Mr. PALMER. Yes.

The CHAIRMAN. But in Austria they were opposed to it?

Mr. PALMER. They were opposed to it in the sugar business because they felt they were giving a lower rate than it cost to carry the freight and made a deficit that the people had to make up.

The CHAIRMAN. In what way did this convention put practically an end, outside of such indirect advantages as might be obtained in the way you have detailed, to the kartels in Germany and Austria, and all of them?

Mr. PALMER. Let me read this, under article 1 of the convention:

The preceding paragraph applies to all advantages resulting directly or indirectly for the different categories of producers from the fiscal legislation of the States, including:

- (a) The direct bounties granted to exports;
- (b) The direct bounties granted to production;
- (c) Total or partial exemptions from taxation granted for a part of the manufactured output;
- (d) Advantages derived from excess of yield;
- (e) Advantages derived from the exaggeration of the drawback;
- (f) Advantages derived from any surtax in excess of the rate fixed by Article III.

The CHAIRMAN. Which one of those things was it that killed the kartel, or was it all of them?

Mr. PALMER. It was all of them.

The CHAIRMAN. Now, apply that situation—I want to get my own mind clear on it—to America, to the United States of America. Would this same sort of law sound the death knell of the American Sugar Refining Co., or any sugar trust, if we had one.

Mr. PALMER. No; we have not had anything of that kind here.

The CHAIRMAN. What is the difference between a kartel and a trust?

Mr. PALMER. Oh, there is a great difference.

The CHAIRMAN. Could you sketch it for us in just a few words, without taking too much time?

Mr. PALMER. It is an awfully complicated proposition. As you can see by that list, they had all sorts of ways to give those fellows an advantage, and send their stuff out.

The CHAIRMAN. The kartel was what? It was an organization of the manufacturers?

Mr. PALMER. It was an organization of manufacturers, and of manufacturers within manufacturers. I do not think I would dare to try to explain it, it is so very complicated.

The CHAIRMAN. Well, I am willing to accept your statement that you would not want us to rely too much on it, but if you can give us any sort of an idea of the difference between the way that a kartel operated and the way a great trust would operate in this country, I would like to have it; would you not, Judge?

Mr. MADISON. Yes.

The CHAIRMAN. I have always wanted that. We have construed it loosely in economics in this country as meaning practically the same thing. What is the difference between a sugar kartel in Germany and a sugar trust in the United States?

Mr. PALMER. This is not long. Suppose I read you just a little of this explanation of Willett & Gray.

The CHAIRMAN. Very well.

Mr. PALMER (reading):

In Germany there are two sugar syndicates and one kartel:

- (1) The German Sugar Syndicate.
- (2) The Syndicates of German Sugar Refiners.
- (3) The kartel, or "combination advantage."

The CHAIRMAN. In other words, there are two syndicates, and then the kartel combines the two syndicates?

Mr. PALMER. Yes.

The CHAIRMAN. Then the kartel is the real trust, after all, is it not?

Mr. PALMER. Well, it is not a trust. It does not correspond with any of our trusts.

The CHAIRMAN. Now, that is it. Where does it differ?

Mr. PALMER (reading):

1. Consists of manufacturers of raw sugar from the beets, manufacturers of refined sugar direct from the beet, and the manufacturers of refined from the raw sugar.

2. Consists of sugar refiners from raw sugar and refiners direct from the beet, and this syndicate (2) guarantees to the members of syndicate (1) a certain minimum price whenever the market price of raw sugar falls below a certain level.

The CHAIRMAN. In other words, the refiners guarantee to the producers of the raw product that they will pay a certain amount for that raw product? Is that what that means?

Mr. PALMER. Yes. [Reading:]

This level, or normal price, is \$2.78 per 100 pounds. The guarantee does not extend below a market price of \$2.04 per 100 pounds. Below \$2.04 or above \$2.78, syndicate (1) gets nothing. At a market price of \$2.04 or below, syndicate (1) gets the full difference between \$2.04 and \$2.78 per pound, or \$78 per 100 pounds.

Every month the members of syndicate (2) pay into syndicate (2) the amount due under arrangement (4), plus 10 per cent, which 10 per cent is to cover the expenses of conducting the kartel (3). The entire sum thus collected forms the combination advantage, or kartel (3).

In detail, every month the members of syndicate (2) pay into syndicate (2) the difference between \$2.78 per 100 pounds and the average monthly price of raw beet sugar in Magdeburg for the month on every pound of raw sugar delivered at their refineries and turned into refined and sold for consumption (but not for export) and plus 10 per cent on said amount.

The CHAIRMAN. I think maybe I can shorten that a little by asking you a few questions. I catch what Willett & Gray say about it. In other words, the German sugar kartel—and the Austrian is practically the same thing, I suppose—was composed of two different groups, one a combination of the producers of raw sugar and another a combination of the refiners of raw sugar?

Mr. PALMER. Yes.

The CHAIRMAN. The refiners agreed that they would keep the price of the raw product up to certain figures?

Mr. PALMER. Yes.

The CHAIRMAN. And then they combined among themselves to say what the price of the refined product should be to the consumer; and the kartel—which was the arbitration court between them, I suppose—fixed or controlled how much the refiner should allow to the producers of the raw for their product, what those limits should be, and how much the refiner should charge the consumers for their sugar.

Mr. PALMER. Then, in addition to this kartel, there was the German Government's tax.

The CHAIRMAN. Yes; I understand that. They had a number of laws and various kinds of exports and taxes and things of that kind. For instance, the internal-revenue tax, or what is the equivalent of our own internal-revenue tax, rendered it difficult for them to get as much as they would otherwise have gotten for their product. But I am speaking of the kartels themselves and not the laws. So that it looks to me like if we transposed the scene to the United States for a moment, transferred it, it would be the equivalent of an American trust in sugar, provided the producers of beets for sugar manufacture and of sugar-cane refining had one organization, complete and perfect, among themselves, and the people who are in the refining business had another, complete, that included them all; and they had an arbitration board between the two which would decide what the refiners should pay to the producers of raw, and also exercise a supervisory control over what the refiners should charge the consumers.

Mr. PALMER. Yes; in Russia the law fixes the price——

The CHAIRMAN. The law fixes the price of raw sugar, does it not?

Mr. PALMER. Of refined sugar.

Mr. MADISON. Does it fix the price of refined to the consumer?

Mr. PALMER. Let me read you this:

Russia desired to have a flourishing beet-root sugar industry, and after many vicissitudes hit upon a system which thoroughly answered the purpose of giving the necessary stimulus. The Russian Government, in 1894, took the matter into their own hands. They fixed (1) the quantity of sugar necessary for home consumption; (2) the maximum price to be charged to the consumer, a price, after deducting the duty, about double the price in outside markets; (3) the quantity of sugar to be kept in reserve, a portion of which was to be thrown on the market if prices rose above the fixed limit. Each manufacturer was allowed to send into consumption a fixed quantity of sugar, and then his surplus production was apportioned to the home market in proportion to his total production. Here was not only a security for good profits in the home market, but also a constant stimulus to overproduction. Fortunately the Russian consumption, in spite of the high price, steadily increases, owing to the constant extension of the Empire eastward.

In other words, there the situation is regulated by law.

Mr. MADISON. Yes.

The CHAIRMAN. The Russian Government being more or less paternalistic in its character and exercising a paternalistic control over its subjects?

Mr. PALMER. Yes. It is making over a million tons of sugar, and last year they made the greatest increase in any year by any country in the world.

The CHAIRMAN. In production?

Mr. PALMER. They increased their production almost a million tons over what it was before.

The CHAIRMAN. Was that stimulated by law?

Mr. PALMER. This law that I am talking about here.

Mr. MADISON. By reason of fixing a high maximum price which stimulated production?

Mr. PALMER. Yes. They have an excellent soil in Russia, a fine soil, a black soil that absorbs the heat from the sun, and they have taken second place.

The CHAIRMAN. I remember that marvelous stimulation, which I had noticed myself. The Russian people have paid a tremendous price for sugar, have they not?

Mr. PALMER. Yes.

The CHAIRMAN. The highest in the world of almost any civilized country, have they not?

Mr. PALMER. I do not know whether the price of sugar in Russia is given in this.

Mr. MALBY. In connection with that I think they have a larger price, but I was wondering what their internal-revenue tax was.

Mr. PALMER. On sugar?

Mr. MALBY. In Russia.

Mr. PALMER. I can tell you what they raised.

Mr. MALBY. The statement is made, and I think it is correct, that they do pay a larger price than most anybody. It might be important to know what it was.

The CHAIRMAN. Yes; whether it is a revenue tax or a tariff tax.

Mr. MADISON. They must a tariff tax that would keep out foreign importations.

Mr. MALBY. Yes; I think they have. I think it would be interesting, Mr. Chairman, if we had the tariff tax and the internal-revenue tax of all the principal countries of the world which are producing sugar.

The CHAIRMAN. We have got it.

Mr. PALMER. I have that.

Mr. MALBY. Very well.

Mr. PALMER. The amount of money collected by the Russian Government in 1907 from sugar revenues was \$52,255,640.

Mr. MALBY. You say the amount of revenues. Is that an internal revenue or customs?

Mr. PALMER. Internal.

Mr. MALBY. Internal?

Mr. PALMER. Internal. Oh, they are exporters of sugar.

Mr. MALBY. What was the production that year?

Mr. PALMER. For 1907?

Mr. MALBY. If you can not give the production, give the rate.

The CHAIRMAN. The internal revenue is $2\frac{1}{2}$ cents.

Mr. MALBY. That will answer my purpose.

Mr. MADISON. That is the local consumption?

Mr. PALMER. Local consumption.

Mr. MADISON. You just gave the revenue. It is something like \$52,000,000. That is sugar duties collected in that country. They did not import any sugar into Russia?

Mr. PALMER. No; they are exporters.

The CHAIRMAN. That is what the internal-revenue duty amounts to?

Mr. PALMER. Yes.

Mr. MALBY. What is the tariff?

Mr. MADISON. It is $2\frac{1}{2}$ cents on the internal revenue. Now you want the tariff, the duty on imports?

The CHAIRMAN. Yes.

Mr. MADISON. Of course they would have to have a compensating import duty, or otherwise sugar would come in from other countries.

Mr. MALBY. It would pay the $2\frac{1}{2}$ cents, anyway.

Mr. PALMER. Russia, on raw sugar, pounded or ground, without the admixture of lumps, 6.42 per 100 pounds; and on refined, lump, and candy, in loaves and pieces, per 100 pounds, 8.56.

The CHAIRMAN. They have kept it out. There is no chance of getting in there, and the internal revenue is 2½ cents. Of course, they get nothing from that import duty. It is a prohibitive tax.

Mr. PALMER. It is nearly \$10 a ton.

The CHAIRMAN. They might have said \$100, just as well. They keep out this foreign sugar by the impenetrable wall under this import duty, and compensate the Government by this internal-revenue tax.

Mr. PALMER. One of the features of this system is worthy of consideration. For instance, we give a drawback here on goods that are imported and manufactured here, and then exported. Theirs is just the opposite. They give their drawback on goods that are produced in their own country. I think they are ahead of us on that.

The CHAIRMAN. They give a drawback from the internal-revenue tax, you mean?

Mr. PALMER. Yes.

Mr. MADISON. In other words, there is no internal-revenue tax paid?

Mr. PALMER. No.

The CHAIRMAN. If those goods were manufactured for export?

Mr. PALMER. If they are made in bond there is nothing paid.

The CHAIRMAN. I will put this in the form of an interrogatory, so that you can answer it. Is not the difference between those fiscal systems this: In the United States the policy is and always has been to levy the internal-revenue tax, which is a very unpopular tax, on such things only as whisky and cigars, and such things as that, and for that reason we could not work the European system here, because sugar and the necessities of life—food and clothing, and so forth—do not pay internal-revenue duties? Is not that the real reason why it has to be that way?

Mr. PALMER. Yes; but for instance, the American Sugar Refining Co. makes up some sugar from Cuban raw.

The CHAIRMAN. Yes; and they testified that they did do it.

Mr. PALMER. And they export it.

The CHAIRMAN. Yes; and they get back 99 per cent of that duty paid if they can show that they manufactured that into sugar which they exported to Great Britain or any other part of the world.

Mr. PALMER. Yes; but if they made that sugar from Louisiana raw, they would get no drawback.

The CHAIRMAN. Yes; because that Louisiana raw has paid no duty.

Mr. MADISON. Well, we levy an import tax to protect the home producer. That is our policy.

Mr. PALMER. Yes.

Mr. MADISON. They levy an internal tax on their local consumers and omit that tax as to the product which is exported?

Mr. PALMER. True.

The CHAIRMAN. In order to build up an export trade.

Mr. MADISON. In order to build up their export trade, and, of course, in order to help their home manufacturers and producers.

The CHAIRMAN. That is their way of protecting them.

Mr. PALMER. Germany, for instance, was getting revenue from imports of sugar—customs revenue. Now, when she got into the manufacture and production of sugar, her revenue receipts from sugar began to drop off, and they could not afford to stand that loss, so that they turned around and put an excise on sugar produced internally.

The CHAIRMAN. They went at it from a different angle, to get the revenue.

Mr. PALMER. Yes.

The CHAIRMAN. And that is true as to a great many of the other industries on the Continent besides sugar?

Mr. PALMER. Yes.

The CHAIRMAN. And that is one of the real differences, because our policy has never been to put an internal-revenue duty on any articles except whisky, tobacco, and cigars.

Mr. MADISON. In times of peace.

The CHAIRMAN. Yes; I mean the ordinary fiscal policy. So that therefore we could not very well reverse that policy; we could not adopt the European policy unless we changed our internal-revenue duties.

Mr. PALMER. Take it on sugar; we could have the same policy that Germany does. Say that it was necessary. If we had legislation that greatly stimulated the home production of sugar and found that the revenue was dwindling, we could put an excise on sugar and make it equalize and keep on raising our \$50,000,000 a year and raising our own sugar.

The CHAIRMAN. Let us apply that to the sugar industry here.

Mr. PALMER. It would not work here, because we are not exporters.

The CHAIRMAN. To illustrate, put a tariff of 5 cents a pound on sugar, with the proper gradations, so far as the tariff is concerned. Of course the effect of that would be, if we did that, that we would have to produce our sugar inside of the United States or charge a tremendous price to the consumer. Do you believe we could, by paying that same duty on sugar, raise all the sugar we consume in this country?

Mr. PALMER. You could do it in 10 years.

The CHAIRMAN. In the meantime, of course, the consumer would have to pay a good deal of that 5 cents; he would have to pay it on every pound, would he not?

Mr. PALMER. No. Last year, you see, sugar was 34 or 35 cents, in this country, below the Hamburg parity. We did not pay that full amount of duty.

The CHAIRMAN. We did not pay the full duty?

Mr. PALMER. No.

The CHAIRMAN. That was on account of the Cuban reciprocity legislation?

Mr. PALMER. No; it was on account of all this legislation stimulating the tropical product. But if you put a sufficient duty on sugar to rush capital into it, it will go in there if there is any certainty of the future, and you could produce your own sugar here in 10 years' time.

The CHAIRMAN. It would go in principally in Hawaii and Porto Rico and the Philippines?

Mr. PALMER. The Philippines are limited to 300,000 tons.

The CHAIRMAN. I mean if you removed that limit?

Mr. PALMER. No——

Mr. MADISON. His assumption is that you do not remove it.

The CHAIRMAN. I am asking him to take the other angle now.

Mr. PALMER. If you take Hawaiian sugar, she has pretty nearly reached her limit. Porto Rico has pretty nearly reached her limit.

The CHAIRMAN. Do you think so? In other words, Porto Rico can not produce much more than she is producing?

Mr. PALMER. That is what they tell me.

The CHAIRMAN. Of course I am asking for your opinion.

Mr. PALMER. I have not been down there.

Mr. MALBY. They have a limited territory there, the same as they have in Hawaii.

The CHAIRMAN. How about the Philippines; is the territory limited there?

Mr. PALMER. Oh, no; they could produce the sugar of the world.

The CHAIRMAN. They could produce the sugar of the world?

Mr. PALMER. Yes; if they had the right kind of people.

The CHAIRMAN. If we had a law adapted to the policy you suggest, it is natural to suppose the result of that policy would be that except what sugar we would get from the sources that we already have, we would get most of the sugar we consumed from the Philippines, would we not?

Mr. PALMER. No; if you adopted a policy of that kind, there would be a great deal of money go into the beet-sugar industry here.

Mr. MADISON. Now, just make it plain that you are proceeding upon the assumption that the 300,000 limit from the Philippines is maintained. That is the theory you are going on?

The CHAIRMAN. I was asking him to proceed on the other theory. Suppose you wiped that out, what would be the result?

Mr. PALMER. That would be problematical.

The CHAIRMAN. If you wiped that out, the natural conditions in the Philippines are so much more favorable that most of our sugar would come from the Philippines?

Mr. PALMER. Of course there is the question of labor there. Those people will not work. They do not have to work.

The CHAIRMAN. At the same time, they do not pay them so much?

Mr. PALMER. No.

The CHAIRMAN. You do not think cheap labor is the cheapest; that the cheapest paid labor is the most economical?

Mr. PALMER. Not that labor. That labor is cheaper than our labor.

The CHAIRMAN. In dollars and cents?

Mr. PALMER. It is very much cheaper in dollars and cents; but in efficiency per dollar it is cheaper than our labor.

The CHAIRMAN. It is?

Mr. PALMER. But not to represent the difference in the wage rate.

Mr. MALBY. That is, not man for man?

Mr. PALMER. Not man for man. When you get to China, you have got a different proposition.

Mr. MADISON. I understand you to say that if we were to adopt the system that has been suggested by the chairman——

The CHAIRMAN. I am just arguing it, of course.

Mr. MADISON. I understand that; you are using it as an illustration, purely.

The CHAIRMAN. Yes.

Mr. MADISON. In other words, if we were to just build a prohibitive tariff wall around this country, including the Philippines, so far as sugar is concerned, and take off the limit of 300,000 tons, and just have no limit at all as to the Philippines, and it was known that that was to be the permanent policy of this country, the Philippines would inside of 15 years be producing the sugar for this country?

Mr. PALMER. Yes.

Mr. MADISON. Yes. Now, I say that, because last year I sat as a member of an investigating committee and heard the story of the purchase of the 55,000-acre friar-land estate by the next-door neighbor of the Sugar Trust, by men who were closely identified with them. They had gone down there and were putting up a modern mill, and they got 55,000 acres of land, a large part of which can be devoted to the raising of sugar, on the island of Mindoro, whose possibilities are unlimited, but it is not the best sugar island.

Mr. PALMER. No.

Mr. MADISON. It is not the best island in the Philippines for sugar. The island of Negros is the best one, and if you just simply give them the necessary encouragement they will absolutely destroy your beet-sugar industry here?

Mr. PALMER. There is no doubt of it. Mr. Prinzen Geerlics, of Amsterdam, is perhaps, if not the greatest cane-sugar expert in the world, one of the greatest. He is the man who built up the Javan industry from a few thousand tons to over a million tons. He was out there 15 years. He told me in Amsterdam that when the Javan planter is getting a cent and a half for his sugar he is making 40 per cent, or, in other words, 90 cents per hundred; and he said that the Philippines were a better sugar country than Java.

Mr. MADISON. They are in the same neighborhood.

Mr. PALMER. Yes. He was perfectly familiar with both countries. That Philippine proposition is a Pandora's box. You once open that up, and the rest of us are gone.

Mr. MADISON. Those people are having difficulty in getting laborers to go to their estate in the island of Mindoro.

Mr. MALBY. Experts?

Mr. MADISON. No; I mean the common laborers. But that difficulty nowhere must figure as an insurmountable one. It is not. Instead of that, they are giving those people better wages than they ever had before; they are taking them there from other islands, with their families, and they are doing the things for the Philippine people that have not been done before, and they are going to make better laborers out of them, just as sure as the sun shines.

Mr. PALMER. And besides that Japan is open to them, just as Japan is open to Hawaii.

Mr. MADISON. Just at the present time, and with the possibility of Japanese and Chinese labor, which also of course is readily accessible, they can get all the labor they want. If that condition remains permanent, the Japanese and Chinese can come in at will.

Mr. PALMER. The Chinese can not come in under the present law. Our contract-labor laws—laws against Chinese labor—apply to the Philippines. They can not get them at present.

Mr. MADISON. But that does not apply to the Japanese?

Mr. PALMER. No, sir.

Mr. MADISON. The Japanese can go in there. Mr. Ballou suggests that perhaps the tentative agreement we have with Japan with regard to Japanese immigration might apply to the Philippines. My recollection is that it does not, but I am not certain. It was you who suggested the Japanese labor. My first statement was made on the assumption that the sugar industry was to be built up there by Philippine labor.

Mr. PALMER. Yes.

Mr. MADISON. As a matter of fact, they are producing a good deal of sugar on the island of Negros now, with very primitive methods, and if American capital understood that an investment there would be secure, they can go in there on that island of Negros, in my judgment, and get the necessary labor and produce an unlimited quantity of sugar.

Mr. PALMER. This expert that I speak of, Mr. Prinzen Geerlics, told me that he had made a study trip to Porto Rico. Certain Porto Rican parties wanted him to go into the sugar business in Porto Rico, and he said that he was favorably impressed with it, but he would take no action until he knew what this Government was going to do in regard to the Philippines. That was in 1908. He said, "If you let in the Philippine sugar without limit, I do not want a dollar invested in Porto Rico or any of those other places."

The CHAIRMAN. On the theory that the Philippine Islands were better adapted by nature, climate, and soil for this industry than any other part of the world?

Mr. PALMER. And right next to an endless quantity of the cheapest labor in the world.

The CHAIRMAN. Yes; there are all those things.

Mr. PALMER. Yes.

The CHAIRMAN. While we are on this matter I want to say that I disagree with you about Porto Rico having reached the limit of her production. While it is true that only the lands skirting the coasts can be used for sugar, yet it is my judgment that if the legislation proposed in the Senate at the last session by the Senate Committee on the Pacific Islands and Porto Rico had gone through they would, inside of a few years, have reached a production of 500,000 tons. They produce now about 300,000 tons.

Mr. PALMER. Yes.

The CHAIRMAN. It is nearer 400,000 tons now than 300,000, is it not?

Mr. PALMER. Yes.

Mr. MADISON. I have my figures at 600,000 tons.

Mr. PALMER. The figure for Porto Rico is 320,000 tons.

Mr. MADISON. Yes.

Mr. PALMER. I will modify what I said in this way: I had in mind that there is a limit to Porto Rico.

Mr. MADISON. Unquestionably.

Mr. PALMER. And there is a limit to Hawaii.

Mr. MADISON. Yes.

Mr. PALMER. But there is no limit to either Cuba or the Philippines.

Mr. MALBY. You should add to that also, I think, that Hawaii has already reached its limit and Porto Rico nearly so; that is, if the testimony that we have already taken is correct. I think Mr.

Spreckels and others testified that Hawaii had reached its limit, and I think some others testified to that also, but that Porto Rico had not quite reached its limit, as I remember it.

Mr. MADISON. I think it has a little over 50 per cent of its limit. Now, that is my judgment, and I think with legislation that will permit large land holdings in Porto Rico, and if we maintain our present system of tariff, giving them such a preference as we do now, it would not be long until they would be producing between 500,000 and 600,000 tons.

The CHAIRMAN. The next table I want to invite your attention to is Table No. 12, "Equivalent ad valorem rates of duty collected on United States dutiable sugar imports." Are those your figures?

Mr. PALMER. No, sir; those are the Government figures from Foreign Commerce and Navigation.

The CHAIRMAN. For the fiscal years ending June 30 of each one of these years?

Mr. PALMER. Yes, sir.

The CHAIRMAN. The fiscal year ending June 30, 1910, was the last one you were able to get?

Mr. PALMER. Yes, sir.

The CHAIRMAN. They figure out this percentage just as it is?

Mr. PALMER. Yes.

The CHAIRMAN. And that is figured out on a percentage of duties on the sugar actually imported and the amount of duty paid on each import?

Mr. PALMER. Yes, sir.

The CHAIRMAN. For instance, in the year 1910 they figure out that the Government actually collected on all the sugar that paid duty at the ports 52.78 per cent of its value?

Mr. PALMER. Yes, sir.

The CHAIRMAN. That is what that figure means?

Mr. PALMER. Yes, sir.

The CHAIRMAN. That does not mean, however, that that is what it costs the consumer, necessarily, does it?

Mr. PALMER. No.

The CHAIRMAN. For instance: While the Government may not have collected 1.348 on Cuban sugar—I will give you an illustration that shows what is in my mind—yet, if the Cubans got the benefit of the ordinary rate, 1.685, the general rate, then the consumer would have to pay the general rate, 1.685?

Mr. PALMER. Yes; but it operated the other way last year.

The CHAIRMAN. We took one day this year—it is in the record of Mr. Mott's testimony—one day in New York. His answer was that the Cuban sugar sold that day in New York, at the advantage of the 20 per cent, to the full extent; and that the consumer paid 1.685 for this Cuban sugar, in price.

Mr. MADISON. It was a time when there was very little Cuban sugar coming in.

The CHAIRMAN. That may be true; I expect it is true. At certain seasons of the year the reverse may be true.

Mr. PALMER. You have a table there, of which I have not a copy, Mr. Chairman, showing 1909 and 1910 prices and the Hamburg parity.

The CHAIRMAN. Yes.

Mr. PALMER. Which shows that our sugar last year was 34 and a fraction cents, I think, below the Hamburg parity of first marks.

The CHAIRMAN. Yes; making the price added to the consumer, as you figure, 1.349?

Mr. PALMER. Yes.

The CHAIRMAN. Which was just a small fraction over the Cuban rate?

Mr. PALMER. Yes.

The CHAIRMAN. I remember you testified, when Judge Madison or Mr. Hinds was examining you, that you thought that demonstrated pretty well that the actual rate that the consumer paid was really the Cuban rate.

Mr. PALMER. It happens to figure out the Cuban rate; yes.

The CHAIRMAN. Those figures were average figures, were they; represented normal conditions?

Mr. PALMER. They are different in different years. You will find it was not so much in 1909.

The CHAIRMAN. The difference in parity was not so much?

Mr. PALMER. No, sir; it is increasing. It was, I think, 20 cents.

The CHAIRMAN. Instead of 34?

Mr. PALMER. Instead of 34, in 1909.

The CHAIRMAN. In other words, the consumer paid that much more?

Mr. PALMER. No; that much less.

The CHAIRMAN. If the difference between the world's price and the American price was 20 points instead of 30, it looks to me like the consumer would have paid that much more.

Mr. PALMER. I mean this; in 1910 the American consumer paid the New York parity of the Hamburg price of first-marks, less 34 and a fraction cents per 100 pounds. In 1909 they paid 20 some cents less than the Hamburg parity.

The CHAIRMAN. So that in 1909 they paid less than they did in 1910?

Mr. PALMER. No.

The CHAIRMAN. They paid more; that is what I thought, because it was not so much under the world's parity that year.

Mr. PALMER. No.

Mr. MALBY. You both agree, but put it in a different way.

The CHAIRMAN. What I am calling your attention to is this, that this figure, 52.78 per cent, the duty collected actually at ports on sugar, by no means represents the burden that the sugar consumer pays in price; is that true or not true?

Mr. PALMER. I do not think there is any way of figuring out, on an ad valorem basis, what the consumer pays. The ad valorem rate means the least, when you come to analyze it, of anything I know of; at least it does to me.

The CHAIRMAN. In other words, you would not take the sugar consumption for 1910 and say that 52.78 per cent of that amount was a burden added by the tariff, would you?

Mr. PALMER. Oh, no; it is 52.78 per cent of the import price.

The CHAIRMAN. Of the import value?

Mr. PALMER. Of the import value. It has not anything to do with the cost of distribution or the cost of refining.

The CHAIRMAN. After all, that item is carried everywhere, is it not? The tariff is paid by the importer, it is carried by the wholesaler, carried by the retailer, and finally carried by the consumer.

Mr. PALMER. But what I mean is this, Mr. Chairman: Say sugar sold in this country last year at 5 cents a pound.

The CHAIRMAN. Yes.

Mr. PALMER. Say that this ad valorem figured out at 50 cents; you would not mean that the duty collected was $2\frac{1}{2}$ cents a pound?

The CHAIRMAN. No.

Mr. PALMER. This is simply the duty on the import value of the sugar.

The CHAIRMAN. Yes; this is a percentage of the import value that goes into the Government Treasury?

Mr. PALMER. Yes.

Mr. MADISON. That is, of sugar that was actually imported?

Mr. PALMER. Yes, sir.

Mr. MADISON. It does not take into consideration the Porto Rican, Hawaiian, and Louisiana sugar, which was free?

Mr. PALMER. No.

Mr. MADISON. But say that there was a million and a half coming from Cuba and other places, where they paid the duty. Then, the 50 per cent ad valorem would apply to that million and a half pounds?

Mr. PALMER. Yes; and where I say the ad valorem is not readily understood, you take the average man who is not used to figuring these things out at all, and he sees a statement that the tariff on sugar is 50 per cent ad valorem, and he says, "Gee whiz! I am paying 5 cents a pound for sugar, and 50 per cent is $2\frac{1}{2}$ cents a pound."

The CHAIRMAN. That is actually what I was trying to get into the record—the truth about that.

Mr. PALMER. In that way he gets a wrong impression.

Mr. MADISON. Whereas he only paid the 50 per cent on the sugar that came from countries that paid duty on it?

Mr. PALMER. Yes; and he only paid it on the import value.

Mr. MADISON. Yes; on the import value.

The CHAIRMAN. The reason that percentage seems wrong is it is figured on a different basis—on sugar that actually pays the duty. That is why that might mislead you, and of course on every pound of sugar raised in the United States, or in any one of these insular possessions of ours from which it comes in free of duty, he does pay a higher price because of the tariff; there is no dispute about that, I think, in anybody's mind.

Mr. PALMER. I always figured those things that the consumer must pay some portion of it, and the question is simply, Is it worth the price?

Mr. MADISON. You introduce an important element there, and that is that they pay the duty only on the import price. I am correct, am I not, in the understanding that that is the valuation of the sugar in the country of exportation?

Mr. PALMER. I do not know.

Mr. MALBY. Where do you figure it? That is just what we want to know. Is it the Hamburg price, the London price, or the price at the docks in New York? When you say "per centage of ad valorem duty," what does that mean?

Mr. PALMER. Of course it does not apply to sugar, because it is not an ad valorem. Some years ago I know that through our consular departments all these people importing goods into this country, where they paid an ad valorem rate of duty, had to declare the valuation of those goods there.

Mr. MADISON. In the country of exportation?

Mr. PALMER. Yes, sir; before our consuls; and I judge that was for the purpose of assessment of duty when it arrived here.

Mr. MADISON. My understanding is always that the value on which an ad valorem duty is figured is the value in the country of exportation, not in the country to which it is imported. In other words, if I want to import into this country from Germany a certain quantity of German goods upon which an ad valorem duty was assessed, the valuation upon which it would be based would be the value in Germany and not the value landed at New York City.

Mr. PALMER. I judge so.

The CHAIRMAN. You do think so?

Mr. MADISON. Oh, yes.

The CHAIRMAN. I understood they valued it at the customhouse there. Do they accept anybody's statement anywhere else in the world and take their estimate in the customhouse?

Mr. MALBY. They do as to Germany under a recent arrangement between this country and Germany. I do not think they do it with anyone else, with any other country.

(After informal discussion:)

The CHAIRMAN. We will take this table and run over it as hastily as we can, because there are one or two things I want you to explain to me. In 1900 the ad valorem equivalent, you said, from this Government publication, was 73 per cent on sugar. I will not read the fractions. You said in 1901 it was 70; in 1902, 87; in 1903, 97; in 1904, 75; in 1905, 56; in 1906, 61; in 1907, 65; in 1908, 60; in 1909, 60; and in 1910, 52. Do those percentages vary so much on account of the percentage of full dutiable sugar imported in a different year?

Mr. PALMER. No, sir; they vary on account of the price of sugar.

The CHAIRMAN. The duty remaining the same?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And the prices varying?

Mr. PALMER. Yes, sir. To go back to 1902 and 1903, when the ad valorems were very high, that is because sugar was very cheap.

The CHAIRMAN. Very cheap those years; and whenever the ad valorem is very low, that means sugar is very high, relatively?

Mr. PALMER. Yes.

The CHAIRMAN. That is what I want to get into the record.

Mr. PALMER. But, as I was saying the other day, it is the poorest kind of a duty for a manufacturer to live under—an ad valorem rate of duty, because when the world price of things is up, then he pays a duty that is high, but here, when you get down to a low thing—you have got sugar down here, we will say, 3 cents a pound, and when he pays 30 per cent ad valorem, he is paying 90 cents when the sugar is very, very cheap.

The CHAIRMAN. And if sugar is high, and the basis is ad valorem, then he would pay a very high rate when he could least afford it?

Mr. PALMER. Yes.

The CHAIRMAN. Is not that same thing true with reference to a fixed specific rate, to some extent?

Mr. PALMER. It does not seem to me to such an extent.

The CHAIRMAN. Let me see; let us illustrate just a minute. Say sugar is 3 cents a pound, and we will say the duty on sugar is 1 cent. Of course, that would make his price 4 cents. We will say sugar is 6 cents a pound, the duty on sugar is 1 cent still, a fixed figure; that would make his sugar 7 cents; would it not be true that when his sugar is low he could stand a higher rate, and when it is high, he ought to have a lower rate, looking at it from the standpoint of the consumer?

Mr. PALMER. The higher sugar is, the more money the consumer has got to pay in taxes.

The CHAIRMAN. Of course he has, according to either of these two systems. But I am trying to look at it one time from the standpoint of the consumer, to see how some system could be devised—and I want your experience on that point—by which, when sugar was cheap, he might pay relatively a little more duty, and when it was high, he could pay relatively a little less duty. It looks to me like that would be the fairest way to do it; do you not think so??

Mr. PALMER. Yes; but you could not do that with an ad valorem.

The CHAIRMAN. How could you accomplish that?

Mr. PALMER. My suggestion would be what we were talking about awhile ago, to put the duty up high enough to make our folks purchase our own sugar, and then put an excise on it.

The CHAIRMAN. Outside of that suggestion, is there any way by which we could have access to the world's markets?

Mr. PALMER. I have never planned out anything.

The CHAIRMAN. You can not think of any way we could do that?

Mr. PALMER. On an ad valorem basis, you mean?

The CHAIRMAN. On any sort of a tariff basis. How could a law be drawn that would do that? Just give me in a practical way what your suggestion would be. Suppose our tariff theory was this—leaving out your suggestion—that we wanted to make the duty on sugar vary from year to year—of course, you could not do it from day to day, I suppose, unless a system could be devised to do that—so that when the market was high the duty would be relatively lower, so as to keep from burdening the consumer too much more; and when the sugar was low, anyhow, the duty could be relatively high so as to give the Government more revenue.

Mr. MADISON. A graduated tax.

The CHAIRMAN. That is the point; graduated in what way?

Mr. MADISON. I am just shooting at the thing.

The CHAIRMAN. I tried to shoot at it myself, but I do not see how to shoot. If you could help me, either one of you, I would be glad if you would do it.

We will take next your Table No. 14, "American industry as affected by sugar refining versus sugar production." I find that you draw certain conclusions as to the benefit that the American people get from the beet-sugar factories.

Mr. PALMER. Yes, sir.

The CHAIRMAN. I will not go into that with you, except to say that that is argumentative entirely.

Mr. PALMER. Yes; except that the basis of \$6.48 a ton on refining sugar is the amount that goes to American industry, according to the statement put in by Mr. Post, and the statement of Thomas Lyle, of London, is virtually the same. Post's statement is 34 and a fraction cents a hundred, and Lyle's is 32½.

The CHAIRMAN. These figures that you give, \$274,547,350, on page 2, are the net returns to the beet-sugar people in a year?

Mr. PALMER. That is what the net return to American industry would be in producing all of our sugar and figuring the cost of production that goes to American industry at 3.75 cents per pound. I have given the basis at the bottom of page 1.

The CHAIRMAN. That is what it would be?

Mr. PALMER. Yes.

The CHAIRMAN. And the figures you give as to what it is are \$38,000,000?

Mr. PALMER. Yes.

The CHAIRMAN. And in order to give that amount that is actually given under the present system, leaving out your calculation on the basis that we produce it all in this country, what American industry would get, and taking that basis of what American industry in the beet-sugar business does get, to give that \$38,000,000 to American industry, the American people pay a bill of a great deal more than that out of their own pockets, do they not?

Mr. PALMER. They pay a net bill, as I think it must be in a table filed, of \$22,000,000.

The CHAIRMAN. They also pay a bill of the exact equivalent of the \$52,000,000. They pay \$72,000,000, do they not?

Mr. PALMER. They pay \$52,000,000.

The CHAIRMAN. They pay \$52,000,030, according to your own figures. Of course I have figured it differently.

Mr. PALMER. True; but no matter how you raise that \$52,000,000, some of the people must pay it, whether it is paid on an import duty on sugar, or tea, or coffee—

The CHAIRMAN. Or silk?

Mr. PALMER. Or an income tax.

The CHAIRMAN. Or raw silk, or India rubber?

Mr. PALMER. We have to have that revenue to run the Government.

The CHAIRMAN. Or an income tax?

Mr. PALMER. Yes.

The CHAIRMAN. We are not obliged to have it out of a great necessity of life, necessarily, are we?

Mr. PALMER. No; put it on something else.

The CHAIRMAN. Have you ever figured on what a duty on raw silk, for instance, would produce, with the same rate we levy on sugar?

Mr. PALMER. No; I have not.

The CHAIRMAN. You do not know, then, whether it would not be at least as much or more than what we get out of the sugar schedule?

Mr. PALMER. No. As I understand the silk duty, it is arranged with a view to manufacturing silk in this country.

The CHAIRMAN. That is right; and most everything else is arranged with a view to manufacturing things in this country, I think.

Mr. MALBY. It may be said, to the credit of the silk industry, that that has actually happened; that we do manufacture in this country.

Mr. PALMER. Yes.

Mr. MALBY. And it may be said that the price is not to exceed 25 per cent of what it was 25 years ago.

The CHAIRMAN. You do not think the tariff caused that, do you?

Mr. MALBY. Yes; I think the manufacture in this country to such an extent is due to it.

The CHAIRMAN. Improvements in processes have done that, I think.

Mr. MALBY. I think this country is very much ahead of almost any country in the world.

The CHAIRMAN. Of France, for instance?

Mr. MALBY. Yes, sir; I think it exceeds it; that is my information.

The CHAIRMAN. I will ask this question of the witness, if he can answer it: You would not think that the fact that we have this duty in the United States would cause silk to be four times as cheap as it was when we started the duty; would you think that, Mr. Palmer?

Mr. PALMER. I do not know enough about the silk industry to know. I do not know what economies they have made. I do know this—that three years ago, when I was in Magdeburg, just before I got there it began to get very cold, and I did not have a winter overcoat with me. I bought one in Magdeburg, ready-made, and I have forgotten what I paid for it, but a good deal less, of course, than I would pay here. When I got back here and took it in to my tailor and told him the price, he looked it over and he said, "You have an American lining there. That satin lining is an American lining." We make the best in the world.

Mr. MALBY. It is one of the greatest industries, in my judgment, ever established in this country, and could not have been established except for the tariff and will last no longer than the tariff.

(After informal discussion.)

The CHAIRMAN. Mr. Palmer, we will take your Table No. 15, headed "Free sugar." I notice the first column you give is foreign prices of sugar per 100 pounds, and the items are: Tate's cubes, No. 1, London; Tate's cubes, No. 2, London; Lyle's granulated, No. 1, London; Lyle's granulated, No. 2, London; Yellow crystals, London; Foreign cubes, Hamburg; First marks, Hamburg.

Are those the export prices?

Mr. PALMER. The cubes and the first marks are export prices.

The CHAIRMAN. Those are the export prices at Hamburg?

Mr. PALMER. Yes, sir.

The CHAIRMAN. The London prices are all local London prices?

Mr. PALMER. They are the London prices.

The CHAIRMAN. You did not give us the London export prices.

Mr. PALMER. Yes, sir; in the next column I have added the freight to New York, and in the third column you will notice I have taken out the U. K. duty of 39.3 cents. So that the third column shows the price of the sugar laid down in New York, whether from London or Hamburg.

The CHAIRMAN. Yes. Where is the New York price there?

Mr. PALMER. The New York price is given at the top of the fourth column, "Difference between New York price of \$4.972 and foreign price per 100 pounds."

The CHAIRMAN. The difference between the cubes, New York price, and the Hamburg price, is \$1.165 in one case, and \$1.629 in another.

Mr. PALMER. Yes, sir.

The CHAIRMAN. Is that a fair estimate of the difference between the world price and the New York price?

Mr. PALMER. It is not an estimate.

The CHAIRMAN. Is it a fair statement of what the difference is?

Mr. PALMER. Yes, sir; those are different sugars.

The CHAIRMAN. What would you allow for the difference in sugar? We have some sworn testimony on that point, and if you have any we would be glad to have yours, if you have any actual knowledge of the sugar business.

Mr. PALMER. That is the actual difference prevailing at Hamburg last year for the entire year.

The CHAIRMAN. That is the average?

Mr. PALMER. That is the average for the entire year. Mr. Chairman, in the next table, on the next page, are given the prices week by week at Hamburg for all those sugars.

The CHAIRMAN. In other words, that is where you get the basis for this statement?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Take first marks in Hamburg; what difference would there be between that and standard granulated?

Mr. PALMER. It runs all the way from a quarter to three-eighths of a cent.

The CHAIRMAN. Mr. Atkins estimated it at 25 points, if I remember his testimony correctly. Do you think that is fair?

Mr. PALMER. I should think that was fair.

The CHAIRMAN. I notice here that, for instance, take first marks in Hamburg, the difference is \$67,990,436?

Mr. PALMER. Yes.

The CHAIRMAN. And if you add to that the duty—which would be something over \$120,000,000, would it not, that we are paying more because of the tariff?

Mr. PALMER. No.

The CHAIRMAN. It would not be quite \$120,000,000, would it?

Mr. PALMER. You have it in the prior column, next to the last column.

The CHAIRMAN. Yes.

Mr. PALMER. It is all figured there.

The CHAIRMAN. \$119,761,578?

Mr. PALMER. Yes.

The CHAIRMAN. That is not very far off from Mr. Atkins's estimate, is it?

Mr. PALMER. Yes. But this has not taken into consideration that difference in price.

The CHAIRMAN. He said himself that it ought to be deducted.

Mr. PALMER. These are the actual figures.

The CHAIRMAN. And he said from that there would be a difference of 25 points, possibly.

Mr. PALMER. Yes.

The CHAIRMAN. What would it be with that 25 points off? Just take that \$119,000,000.

Mr. PALMER. That would make a difference of \$18,763,000, in round numbers.

The CHAIRMAN. In other words, it would be a little over \$101,000,000?

Mr. PALMER. Just a fraction under \$101,000,000.

The CHAIRMAN. I will not go into the details of these figures upon which you base that. But we will take No. 17 next, the "difference in wholesale and retail price of sugar in the United States, 1890-1907." Are those figures all official?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Every one of them?

Mr. PALMER. Yes, sir.

The CHAIRMAN. You say this is from the monthly reports of retail merchants located in 33 States. They are fairly representative, and cover all sections of the country?

Mr. PALMER. Yes, sir; they are the very best the Bureau of Labor can do. Mr. Hanger told me that they did not go to the cheapest store, nor did they go to the fancy store; they went to the average store.

The CHAIRMAN. They tried to strike the average store?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And those are the retail prices and the wholesale prices as well, that they found prevailing through the country?

Mr. PALMER. Yes, sir.

The CHAIRMAN. This table, still No. 17, "Average retail price of sugar in the United States, by States, for 10 years," was obtained in the same way?

Mr. PALMER. Yes, sir.

The CHAIRMAN. From the Bureau of Labor?

Mr. PALMER. Yes, sir.

The CHAIRMAN. You have not got it since 1903?

Mr. PALMER. Since 1907.

The CHAIRMAN. Not since 1899, really; 1890 to 1899. In other words, 11 years ago are the last figures you seem to have given us on that point.

Mr. PALMER. I do not know whether there is an error in that heading, 1890 to 1899, or not.

The CHAIRMAN. It must be right, because this report was in 1903; so it could not be 1900 to 1910, or 1909, because the report was in 1903, you see.

Mr. PALMER. In this second one it is 1890 to 1903.

The CHAIRMAN. The years are not separated at all?

Mr. PALMER. I will tell you why. In the 18th annual report of the Commissioner of Labor he gives the average price for the 10 years, and that is the reason I took the 10 years. It saved a lot of figuring. He had it all figured.

The CHAIRMAN. And in that 10 years are included the years we had lower sugar, under the Wilson law?

Mr. PALMER. Yes.

The CHAIRMAN. And in the 10 years are included several years of the period that the McKinley law, with its free sugar and a bounty, was operative. The McKinley law was passed in 1890, my

recollection is, and stayed in effect until the Wilson bill was passed, in 1894; and that stayed in effect until the Dingley bill was passed, in 1897; so that for 7 years out of 10 of those years we had free sugar?

Mr. PALMER. You notice in the first table here I give it from 1890 to 1907.

The CHAIRMAN. And half of that time it is free sugar, too, practically?

Mr. PALMER. Part of it.

The CHAIRMAN. From 1890 to 1907; 7 years out of the 17.

Mr. PALMER. The second table I made up from the eighteenth annual report of the Commissioner of Labor, who gives the average for 10 years.

The CHAIRMAN. And I invite your attention to the fact that during that 10 years, for 7 years we had either free sugar, or a very low duty on sugar.

Mr. PALMER. I do not know whether that affected it or not.

The CHAIRMAN. You do not know whether that affected the retail price or not?

Mr. PALMER. I am just looking that up now. I do not mean the retail price. This is a table to get at the difference; it gets at the cost of distribution.

The CHAIRMAN. No; but while it does that, it also gives us these prices, and they stand as facts, too, and that is the reason I call your attention to that and want that to appear in the record. Of course, it does not affect the accuracy of your conclusions about the cost of distribution. The tariff would not affect that one way or the other, except possibly very indirectly.

Mr. PALMER. I call your attention to this, on the first page of Table 17, that as the prices go down the cost of distribution goes up.

The CHAIRMAN. That is, the percentage does?

Mr. PALMER. No; the actual amount charged for distribution goes up.

The CHAIRMAN. Appreciably?

Mr. PALMER. They can charge more. For instance, in 1890—

The CHAIRMAN. You mean the sugar being cheaper they can afford to add a little more to it without a kick from the consumer?

Mr. PALMER. Exactly.

The CHAIRMAN. That, of course, is true. And they do do that, of course?

Mr. PALMER. The figures show that.

The CHAIRMAN. All agree with you about that. But the reason I mentioned these facts about their being free sugar or a very low duty on sugar during most of these times, is because these figures also furnish us valuable information as to what the price was. I want that to be plain.

Mr. PALMER. As I said yesterday, this fall I will be able to get those figures right down to date.

The CHAIRMAN. I have just a little more to ask, and I think I can conclude in another half hour.

● (Thereupon, at 1 o'clock p. m., the committee took a recess until 2.30 o'clock p. m.)

AFTER RECESS.

The committee reconvened pursuant to adjournment, Hon. Thomas W. Hardwick (chairman) presiding.

TESTIMONY OF MR. TRUMAN G. PALMER—Continued.

The CHAIRMAN. We had finished what table before recess?

Mr. PALMER. We were on Table 19.

The CHAIRMAN. Right in that connection and before I go on with Table 19, have you made the table that I asked you to fix—for export prices at Hamburg? Have you got that finished?

Mr. PALMER. It is not finished, but I will have it for you.

The CHAIRMAN. When will you have it?

Mr. PALMER. This evening, I think.

The CHAIRMAN. Sometime during the afternoon?

Mr. PALMER. Yes.

The CHAIRMAN. Table No. 19 is on the cost of distributing sugar in the United States?

Mr. PALMER. Yes.

The CHAIRMAN. And, as I understand from that, in comparison with Tables 20 and 21, and particularly No. 22, while sugar is what is known as a leader, still the cost of distributing it is something like 20 per cent?

Mr. PALMER. Yes; it has averaged 20 per cent.

The CHAIRMAN. It has averaged 20 per cent during the period of years you recite?

Mr. PALMER. Yes.

The CHAIRMAN. And has amounted to a cost of forty-six and a half millions of dollars and over during that same period?

Mr. PALMER. Yes.

The CHAIRMAN. But when compared to other articles, it still appears that the cost of distribution is comparatively and relatively very small?

Mr. PALMER. Yes.

The CHAIRMAN. Now take coffee, for instance. You took coffee for one of the things you compared it with. Coffee is one article of which the cost of distribution is higher than that of almost anything else you can think of?

Mr. PALMER. Coffee and tea.

The CHAIRMAN. Coffee and tea are the two very highest, are they not?

Mr. PALMER. Mr. Chairman, I have no means of ascertaining so accurately with regard to ordinary things, like vegetables and things of that kind. I do not know how they run. I got those tables up originally when the Committee on the Cost of Living was working here, and really I got them up for that particular purpose. There were four reasons given for the high cost of living—one was trusts, one was the tariff, one was the American farmer, and one was cold storage—so that I prepared two tables concerning two articles into which no one of those elements entered.

The CHAIRMAN. That is what determined you on this line of investigation?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Have you examined the report of the British Board of Trade on the cost of living in the United States—this document which has been referred to here so often?

Mr. PALMER. Yes.

The CHAIRMAN. How do your figures compare with the figures given in that report on retail prices of sugar in the United States?

Mr. PALMER. They compare very closely with the figures of the Bureau of Labor.

The CHAIRMAN. The figures of the Bureau of Labor?

Mr. PALMER. Yes; these are the figures of the Bureau of Labor.

The CHAIRMAN. In other words, the figures you present are substantially the same as those of the British report which we have had before us?

Mr. PALMER. Yes; and I found that the amount of sugar going into consumption per family corresponded very closely.

The CHAIRMAN. Did you notice one statement in that British Board of Trade report to the effect that one of the most marvelous things they found in the American industrial life was the stability of sugar prices?

Mr. PALMER. Yes; I saw it.

The CHAIRMAN. They attributed it to the organization and the control. Were they right in that conclusion? You have indorsed their figures.

Mr. PALMER. I think it is partially attributable to that, but I think there is another element about it. In this country we have virtually but one class of sugar. Everything here is granulated.

The CHAIRMAN. You think that has something to do with it?

Mr. PALMER. I think that has a great deal to do with it. For instance, at Halle, in Germany, they were putting up 20 different kinds of sugar—different kinds of loaves. This may be of interest in that connection. Here are some of the different terms used for sugar used in Germany, different kinds of sugar: Loaf sugar, flat bar, cubical, lump, crump, powdered, granulated, rasped, crystallized, plates, sticks, cubes, cake, sheet, granular, feculæ, and melis. Now, how many others they have I do not know. I ran on to all of those.

Mr. RAKER. We have practically all of those brands in the United States, have we not?

The CHAIRMAN. We have loaf and granulated and cubes.

Mr. PALMER. Yes; we have loaf and granulated and cube and powdered, but we do not have rasped and crump and plates and sticks and cake and sheet.

Mr. RAKER. We have cake and sheet, do we not?

Mr. PALMER. I never heard of it. I do not think you will find any such thing quoted in our market.

The CHAIRMAN. Willett & Gray give something like a dozen different kinds of sugar, or more, when they quote prices, too, do they not?

Mr. PALMER. Here are their quotations: Granulated, crystal domino, tablet, crushed, powdered, and cubes. Then they have standard or refined granulated, which is about the same as any granulated, and coarse granulated and extra fine granulated, coarse powdered, and diamond A and candy A. But most of these sugars, like confectioner's sugars, would not go into the general market. They are for manufacturers' purposes.

The CHAIRMAN. That might be true of German sugars, too, might it not? How many different kinds of sugar do they have?

Mr. PALMER. There are half a dozen here with no names to them.

The CHAIRMAN. There are something like 15 or 20 in that list, are there not?

Mr. PALMER. There are 15 up to the time that they get down to the numbers. What those numbers are I do not know.

The CHAIRMAN. Yes; and some besides them. When you get down to numbers, how many more are there?

Mr. PALMER. Sixteen numbers.

The CHAIRMAN. There are 15 different brands or grades, and then there are 16 different numbers?

Mr. PALMER. But you do not see those——

The CHAIRMAN. We see quotations in the standard American sugar journals, do we not?

Mr. PALMER. Yes.

The CHAIRMAN. There are not any more quotations, in number, in any British trade journal, are there?

Mr. PALMER. That may be true, but we are noted throughout the world as using practically one class of sugar.

The CHAIRMAN. You mean most of the sugar that is used is standard granulated?

Mr. PALMER. Yes.

The CHAIRMAN. Well, it is all quoted, is it not?

Mr. PALMER. It is all quoted. I do not know anything about the sales of it.

The CHAIRMAN. If the English statistics are worth anything, they quote the same grade of sugar in every part of the United Kingdom for purposes of comparison; would you not say that English statistical statements that gave brown sugar in one part of England and cube in another, meant another thing? They do not do it that way, do they, over there?

Mr. PALMER. I do not think I quite catch your question.

The CHAIRMAN. I mean by that, this: Of course if they quoted in the same table different prices of sugar, different grades of sugar, in different parts of the United Kingdom, there necessarily would not be any uniformity to prices in the United Kingdom?

Mr. PALMER. No.

The CHAIRMAN. But you do not claim that they do that sort of thing, do you?

Mr. PALMER. You mean the British Board of Trade?

The CHAIRMAN. Yes; the British Board of Trade?

Mr. PALMER. No; the British Board of Trade prices are made up from the sales.

The CHAIRMAN. Yes; but they are made up in uniformity on the different grades of sugar; they quote the same kind of sugar in different parts of the United Kingdom in making up those figures?

Mr. PALMER. Yes.

The CHAIRMAN. Then, that would not account for the fact—and I believe I understood you to agree to that—that there was more uniformity of prices in the United States than there was in the United Kingdom or anywhere else, would it? What I am trying to get at is this: You remember that statement, because it struck me, and it struck Mr. Hinds also, that the wonderful thing to these

British investigators who looked into our conditions of living here and were to report to the British Government, was that they found almost everything else varied largely throughout the country except sugar, and that seemed to be uniform; and you remember they stated they could not account for that in any other way except that the combination was strong enough to control the market and dominate it everywhere.

Mr. PALMER. Whatever the reason, it is undoubtedly a fact that the sugar prices are virtually the same by the different companies on the same date.

The CHAIRMAN. Yes.

Mr. PALMER. Except on the beet sugar.

The CHAIRMAN. Take this statement on page 22, and just read it into the record. This is from the report of the British Board of Trade. Read it into the record.

Mr. PALMER (reading):

The general uniformity prevailing in the price of sugar is a reflection of the extensive control exercised over this particular market by a single company. The predominant prices for white granulated, the kind that is in, by far, the most general use, are 5½ and 6 cents a pound. Brown sugar, when purchased, appears to be often used in cooking and sometimes for making candy. Loaf sugar was still less frequently sold, and for this no predominant price can be quoted.

The CHAIRMAN. Now, do you agree that that is probably a true statement or not? In other words, I want your opinion about that statement. Do you believe that is right?

Mr. PALMER. I believe it is a fact that one company is largely a producer of sugar, and years ago controlled a much greater portion of the market than they do now, and became established as the one great sugar-refining company. I think that would have that result.

The CHAIRMAN. Would have that result?

Mr. PALMER. Yes.

The CHAIRMAN. The prices have been just as uniform this year as they were at the time you referred to some years ago, when they controlled a larger percentage, have they not?

Mr. PALMER. I do not know.

The CHAIRMAN. I thought probably you had made such a careful examination of the prices that you could tell us about that.

Mr. PALMER. No; I do not know.

The CHAIRMAN. Your tables will show whether that is true or not?

Mr. PALMER. Yes; the quotations will show.

The CHAIRMAN. The tables that you have put in, I think, will show that themselves. That is just my opinion. I may be wrong.

Mr. PALMER. Yes; I think it can be arrived at from those tables.

The CHAIRMAN. From those tables?

Mr. PALMER. Yes.

The CHAIRMAN. These tea and coffee tables are put in for the purpose of comparison with the sugar industry?

Mr. PALMER. Yes.

The CHAIRMAN. Those figures you think are accurate and reliable?

Mr. PALMER. Yes.

The CHAIRMAN. And are taken, in each case, from official reports?

Mr. PALMER. Yes. It probably is a fact, for the reason that the American Sugar Refining Co. is practically the only company that makes other sugars than the granulated, that would contribute towards putting them in the lead as to setting the price.

The CHAIRMAN. As to setting the price?

Mr. PALMER. Yes.

The CHAIRMAN. In other words, because the American Sugar Refining Co. is the only company that carries a full line of sugars?

Mr. PALMER. Yes; I think that would be the effect.

The CHAIRMAN. And also the volume of business that they do gives them the opportunity to set the price?

Mr. PALMER. To set the price, within reason. I do not think that those refiners have, of recent years, made the inordinate profits that are generally supposed to have been made.

The CHAIRMAN. Do you agree with Mr. Thomas that the American Sugar Refining Co. holds the umbrella for the rest of them?

Mr. PALMER. I do not know just what he means by that, Mr. Chairman?

The CHAIRMAN. You heard that expression?

Mr. PALMER. Yes.

The CHAIRMAN. Or did you hear his testimony?

Mr. PALMER. No; I did not hear it.

The CHAIRMAN. He said that they fixed the maximum price. Nobody could sell over what they fixed. Now and then a little fellow—a comparatively little fellow, that is—who had too much stock of sugar, would cut a little under them for the purpose of unloading; but practically they fixed the price, and the other fellows stood on it, on the product. Do you agree with that, or have you any such knowledge as would enable you to give an opinion on that subject?

Mr. PALMER. No; not a practical knowledge of the business, but I would agree with it for this reason: Two or three years ago I went through Willett & Gray's quotations and Sugar Remarks, of each week, to see who changed the price of sugar; and in going down, it was almost invariably Spreckels or Arbuckle. When they would come up, they would usually all come up together. But those refineries did lead whatever little break there was from the highest.

The CHAIRMAN. Whatever cut there was made was made by the independents?

Mr. PALMER. Yes; I mean special cuts.

The CHAIRMAN. They would not stay on very long, would they?

Mr. PALMER. I mean cuts that could not be accounted for by the surplus of sugar.

The CHAIRMAN. By the law of supply and demand, the ordinary trade law?

Mr. PALMER. Yes.

The CHAIRMAN. As soon as they would get unloaded they would come back to the normal trade level?

Mr. PALMER. Yes. Like everybody else, I think they are all trying to get what they can get out of sugar.

The CHAIRMAN. Then, when somebody says, "We will take so much for sugar," Spreckels and Arbuckle and all the rest of them chime in?

Mr. PALMER. Yes; and when they want to get rid of their sugar they make a cut.

The CHAIRMAN. You are tolerably familiar with the beet-sugar industry in the West?

Mr. PALMER. Yes.

The CHAIRMAN. You have not any stock in the beet-sugar companies yourself?

Mr. PALMER. No, sir.

The CHAIRMAN. And no interest in the sugar industry out there in any shape or form?

Mr. PALMER. In no form at all.

The CHAIRMAN. You know how sugar is sold in Detroit and in Michigan points, do you not?

Mr. PALMER. In a general way.

The CHAIRMAN. Now, is it not true throughout the beet-sugar country that when it comes to selling sugar to the consumer—that is, first to the retailer and then finally to the consumer itself—the freight rate to the nearest point at which a competitor could furnish sugar is added below the price?

Mr. PALMER. As a rule.

The CHAIRMAN. Why?

Mr. PALMER. Because they can get it.

The CHAIRMAN. Because nobody else can sell it cheaper than that?

Mr. PALMER. Yes.

The CHAIRMAN. And that keeps them from cutting under each other, does it not?

Mr. PALMER. You might say that it would, and yet I do know that they do cut under each other.

The CHAIRMAN. Why?

Mr. PALMER. In order to dispose of their sugar.

The CHAIRMAN. When? When they are overstocked?

Mr. PALMER. During the campaign, while they are turning out their sugar. Very few of them are in a position to hold very much sugar, and I know some years ago two or three of them tried it and did not make any money by holding it, and apparently seemed to find that it was to their advantage to shove it out at the time they are making it, even if they have to make a considerable cut.

The CHAIRMAN. And they do that in obedience to that law of trade that nobody can furnish it lower, and no competitors of theirs can furnish it lower than they will furnish it. Is that true?

Mr. PALMER. Yes; it is the same in sugar as in every other commodity.

The CHAIRMAN. So that outside of the indirect benefit that a community gets by reason of the location of beet-sugar factories in its midst, it gets no direct benefit whatever? In other words, it gets no cheaper sugar?

Mr. PALMER. Except where the two sugars meet in large quantities. For instance, take it in the Missouri River country.

The CHAIRMAN. Pardon me for interrupting you, but, as a matter of fact, in Missouri River territory there is no beet-sugar factory that is highly competitive?

Mr. PALMER. No: but the two sugars meet there.

The CHAIRMAN. I understand; so that the people who live in a locality where there are no beet-sugar factories often get sugar cheaper than the people who have factories right at their door, do they not?

Mr. PALMER. Yes; that is practically so.

The CHAIRMAN. On account of freight rates and competition, and of course competition being controlled largely by how far the freight rate will permit the sugar to come.

Mr. PALMER. Yes.

The CHAIRMAN. I think I understand that, and that is in accordance with what I had understood on that subject.

Mr. PALMER. Yes.

The CHAIRMAN. Now, I want to take you over a little testimony, or a conversation you might call it, that I had with Mr. Atkins on the subject of import prices of raw sugar at Hamburg and the price for corresponding sugar at New York and what was added to the sugar bill of the American people on account of the tariff. I am reading now from the second volume of the hearings, beginning at page 135:

The CHAIRMAN. I notice here, from Willett & Gray's Statistical Sugar Trade Journal, December 26, 1907, page 7, the average price of Hamburg 88° sugar, the form of raw sugar manufactured in Europe, is given as follows: For the year 1900, \$2.24.

That is the export price.

Your price on raw sugar here for 1900 is \$4.566. So that it appears from these two statements, comparing them, that we paid nearly twice as much for our raw sugar in the year 1900 as the people of Hamburg paid. Is that correct?

Mr. ATKINS. Pretty nearly, I guess.

Of course, he did not make the point that the people of Hamburg had to pay the local tax.

Mr. ATKINS. Pretty nearly, I guess. Do you want to know the reason?

Now I will ask you that question. Is that correct? Is that true, in other words, that we paid in the year 1900 \$4.566 in this country, and we could have bought 88° sugar in Hamburg for \$2.24?

Mr. PALMER. I do not know.

The CHAIRMAN. If those figures were taken from Willett & Gray's Trade Journal, you would say that they were correct?

Mr. PALMER. I would take those figures.

The CHAIRMAN. I read further:

The CHAIRMAN. Let us go through this, and then we will go to the reasons. In 1901, I see, the Hamburg price of raw sugar was \$1.88 a hundred pounds. Your price on raw sugar in 1901—the American price, rather—was \$4.047. That is more than twice as much, is it not?

Mr. ATKINS. Yes.

I will read you some of this, and as we go along, unless you make some criticism of it, I will understand that you agree that Mr. Atkins's answers are right.

Mr. PALMER. That is a pretty hard proposition.

The CHAIRMAN. I want you to disagree in each case where you can; is not that the best way?

Mr. PALMER. All right.

The CHAIRMAN. And you must stop me whenever Mr. Atkins makes an answer that you do not want to agree to. I read further:

The CHAIRMAN. In 1902 the Hamburg price on raw sugar, according to this table, was \$1.43. During the same year the American price was \$3.72.

Mr. ATKINS. In 1902?

The CHAIRMAN. Yes.

Mr. ATKINS. \$3.54.

In other words, he corrected my figure there, I suppose, from the table.

I read further:

The CHAIRMAN. \$3.54; yes. In 1903 the Hamburg price was \$1.81. The American price in 1903 was \$3.72. I will not go through all that table. I will ask the stenographer to put it in at this point.

Now, the table follows. This table gives the Hamburg export prices of 88° sugar, and it is as follows:

	Per 100 lbs.
1900-----	\$2. 24
1901-----	1. 88
1902-----	1. 43
1903-----	1. 81
1904-----	2. 14
1905-----	2. 55
1906-----	1. 87
1907-----	2. 05

After reading that table I asked him this question:

The CHAIRMAN. Is it not true that a comparison of your table with this table from Willett & Gray's Sugar Trade Journal shows that raw sugar f. o. b. Hamburg did not cost on an average, year after year, more than half as much as it did f. o. b. New York?

Mr. PALMER. Did not cost, you said?

The CHAIRMAN. Yes. In other words, I asked him this question, if the price at New York, with the duty paid, with the freight and the insurance charges paid, was not, year after year, during this series of years, more than double what the export price was at Hamburg for 88° sugar. His answer to that was:

Mr. ATKINS. Admitted.

Is that right?

Mr. PALMER. I should say so.

The CHAIRMAN. I read further:

Mr. ATKINS. Admitted.

The CHAIRMAN. Why?

Mr. ATKINS. You want to deduct from that \$1.68 duty.

The CHAIRMAN. \$1.34 now, would it not be?

Mr. ATKINS. Previous to the reciprocity treaty.

The CHAIRMAN. Let us take one of those years.

Mr. ATKINS. Let us take one of the years. You had \$4.50 in 1900, did you not?

That is the American price, he means.

The CHAIRMAN. Yes.

Mr. ATKINS. You deduct \$1.685 from that. How much does that leave you?

The CHAIRMAN. \$4.56 we had that year. Deduct \$1.685.

Mr. ATKINS. \$2.88.

The CHAIRMAN. \$2.875.

That is pretty close together.

Mr. ATKINS. Now, compare that with your Hamburg price.

The CHAIRMAN. What year was that?

Mr. ATKINS. That was 1900.

The CHAIRMAN. \$2.24. To be candid and fair with you—I do not want to be otherwise, because I hold no brief for anybody nor have any view in this matter—these statistics of Hamburg prices are of 88° sugar.

Mr. ATKINS. Yes; that is not so expensive.

The CHAIRMAN. Ninety-six degree sugar is the American standard upon which your figures are based. Does that make any difference?

Mr. ATKINS. A different quality of sugar; yes. There is a difference of 18 cents a hundred pounds, made up by the purchasers, between 88° beet sugar and 96 test sugar.

Now, he says 18 cents. My recollection of that was 25.

Mr. PALMER. That was on another thing, Mr. Chairman. This 18 cents is on the difference in value of raw sugar.

The CHAIRMAN. Yes; that is correct. Well, 88° sugar is raw sugar, is it not?

Mr. PALMER. Yes.

The CHAIRMAN. And so is 96° sugar?

Mr. PALMER. Yes; but you were speaking of the first mark the other day. Willett & Gray, in making up their New York parity of the Hamburg prices, add 19 cents.

The CHAIRMAN. And the figure of Mr. Atkins was 18 cents?

Mr. PALMER. Yes.

The CHAIRMAN. That is pretty close.

Mr. PALMER. The difference in value to refiners is 19 cents.

Mr. GARRETT. All cane sugar is made as near as possible 96° sugar?

Mr. PALMER. Not always. A lot of low sugar runs 86 to 88.

Mr. GARRETT. The bulk of it is 96° sugar?

Mr. PALMER. The bulk of it is 96°.

Mr. GARRETT. Whether exported to this country or not?

Mr. PALMER. Yes.

The CHAIRMAN (reading):

The CHAIRMAN. 18 cents?

Mr. ATKINS. 18 cents a hundred pounds.

What is the rule as to raw beet sugar, 88°?

Mr. PALMER. Yes.

The CHAIRMAN. That is the reason the Hamburg standard is 88°. Ours is cane sugar, 96°. That is the rule the world over, is it?

Mr. PALMER. Yes.

The CHAIRMAN. All their quotations are based on that?

Mr. PALMER. Yes; all their quotations are based on that. It may be up or down.

The CHAIRMAN. It is all based on that?

Mr. PALMER. Yes; the same as we say ours is 96°. The bulk of that which is imported is not 96, but it is made to equalize 96°. The bulk of it is 95°.

The CHAIRMAN. Then we figured out the difference, and it appeared there was 63 points difference between them after the duty was added. In other words, if you added the duty to the Hamburg price, or, to use the other angle, subtracted it from the New York price, there was still a difference of 63 points. Eighteen of those points could be accounted for by the difference in grades of sugar, and he estimated freight at 10 cents a hundred, and that still left a difference of 37½ points, and as you see, he said 1.37. In other words, the New York market was still 37½ points, that way, over the Hamburg market, after freight at 10 cents a hundred, and 18 cents a hundred for the difference in grade between the sugars, had been subtracted.

Mr. PALMER. Yes.

The CHAIRMAN. That was one year when New York was what you call above the parity of the world's market?

Mr. PALMER. Evidently.

The CHAIRMAN. Evidently above, that year. Now, I read further:

Mr. ATKINS. They can always bring the beet sugars here whenever they have a lower market over there than there is in this country; when they are higher, they can not bring them.

In other words, suppose they had sugars to spare, or maybe they were scarce there, and maybe they got a bigger price to bring them to New York; if they had been plentiful there and the market had been glutted they would have brought them at a less price? I just want to understand that with you.

Mr. PALMER. Yes; I suppose that is right.

The CHAIRMAN (reading):

The CHAIRMAN. Just a moment on that point. Is the tariff, then, in your judgment, the principal reason why sugar is worth twice as much in New York as it is in Hamburg?

Mr. ATKINS. Yes.

Do you agree to that?

Mr. PALMER. I do not agree to the way the question was put to him. Sugar to-day, I think you will find, is not, and for the last year or two was not, double the price.

The CHAIRMAN. Well, it was up to 1907, when I have asked you to furnish the figures so that I can compare them.

Mr. PALMER. If you had used the word "was" there instead of "is," I would have agreed with it, that it was the tariff.

The CHAIRMAN. It was the tariff, then?

Mr. PALMER. Yes.

The CHAIRMAN. And, of course, whatever difference there is now will be the tariff now?

Mr. PALMER. Yes.

The CHAIRMAN. It may be double now or may not be. We do not know until we compare those prices.

Mr. PALMER. You may have a glut in sugar, and sugar is lower in New York than the parity is.

The CHAIRMAN. At present?

Mr. PALMER. At present.

The CHAIRMAN. In accordance with the rule of trade. If there was a glut in Hamburg, New York would be above the parity?

Mr. PALMER. Yes.

The CHAIRMAN. Whereas if there was a glut in New York instead of in Hamburg, New York would be under the parity?

Mr. PALMER. Yes.

The CHAIRMAN. I think I understand that. Now, will you turn to the top of page 139 of the record. These are Willett & Gray's prices at Hamburg for German refined sugar for the years 1900 to 1907, inclusive. You see that in 1900 the Hamburg price, export, I mean, was \$2.64, and in 1901 it was \$2.29; in 1902, \$1.79; in 1903, \$2.11; in 1904, \$2.55; in 1905, \$3; in 1906, \$2.31; and in 1907, \$2.40. Now, if you compare those prices with those you have furnished us, or with the prices we have had, you will find that they are not, on the average, more than half as much as the New York prices.

Mr. PALMER. Yes.

The CHAIRMAN. What accounts for the difference between the Hamburg price and the New York price?

Mr. PALMER. The duty and the grade of the sugar.

The CHAIRMAN. The difference on account of the grade of the sugar is 18 cents a hundred pounds.

Mr. PALMER. No; that was on raw sugar.

The CHAIRMAN. That is the very point which I see Mr. Atkins made. Following that table, this occurred:

Mr. ATKINS. That German granulated sugar is not equal to our granulated sugar, and it sells a little cheaper.

The CHAIRMAN. The testimony there was it was supposed to be reduced to an equivalent.

Mr. ATKINS. It would not sell at the same price in this country.

The CHAIRMAN. That would not account for a difference of more than 100 per cent, though.

Mr. ATKINS. I will have to look into that.

The CHAIRMAN. I will be glad for you to do it.

Now, I do not think in Mr. Atkins's supplemental statement he did furnish that statement. He may have overlooked that. Can you tell us—it was 18 cents on raw—what it would be on this refined, in your judgment?

Mr. PALMER. There is not any way of measuring it accurately, as you can measure the raw. The refiners can determine to a fraction the difference between the values of two raws.

The CHAIRMAN. Why can they not do it after it is refined?

Mr. PALMER. Because when you come to that you have got to take into consideration the ideas and whims, and the like, of the people.

The CHAIRMAN. The local idiosyncrasies, in other words, if I can use a big word without being criticized for trying to do so?

Mr. PALMER. Yes. I do not believe there is a gentleman in this room who, if you had such sugar as I had here the other day, standard granulated, and you had that German first mark alongside of it, would buy the first mark at a half a cent a pound less.

The CHAIRMAN. The first mark is the ordinary German granulated?

Mr. PALMER. That is the German granulated. It is not the German granulated that they put on their tables, though.

The CHAIRMAN. It is not?

Mr. PALMER. No, sir.

The CHAIRMAN. Oh, well, of course, that is not what we are talking about at all.

Mr. PALMER. Yes; the figures are on first marks.

The CHAIRMAN. No; indeed, they are not. This table is on German granulated.

Mr. PALMER. But they are first marks. There is nothing else quoted in Willett and Gray. The quotation is practically the same in verbiage every week. When it gets down, it says, "Total stock on the four grades, by quotation, 13 shillings 2½ pence per hundred, our analysis, equal to 4.80 for 96 test centrifugals at New York: first mark German granulated, f. o. b. Hamburg, 15 shillings 1½ pence."

The CHAIRMAN. You say the first mark is different even from granulated sugar?

Mr. PALMER. Certainly it is. That first mark is practically all sucrose. I do not mean to say that it is not good sugar.

The CHAIRMAN. Is it refined sugar?

Mr. PALMER. No, sir.

The CHAIRMAN. This table is from Willett and Gray's quotations on refined sugars.

Mr. PALMER. No, sir. I ought to be pretty familiar with that. I look that thing over every week, and I am making up tables from it, and I do not know any quotations of Willett and Gray's except first marks.

The CHAIRMAN. Does not the Government export ordinary granulated sugar?

Mr. PALMER. That I do not know.

The CHAIRMAN. You know so much about the sugar situation there, you ought to know that.

Mr. PALMER. The bulk of her exportations——

The CHAIRMAN. Is the first mark refined after it is exported?

Mr. PALMER. I think not.

The CHAIRMAN. Does it go directly into table consumption?

Mr. PALMER. Table consumption or manufacture.

The CHAIRMAN. I thought you said just now you would not put first mark on your table?

Mr. PALMER. You would not put first mark on your table.

The CHAIRMAN. That is not the kind of sugar that these figures relate to, if I understand the table.

Mr. PALMER. Mr. Chairman, I believe you are wrong on that.

The CHAIRMAN. Let us see if I am. I think I can demonstrate it to you that I am not wrong. If the difference between raw 88° sugar at Hamburg and 96° at New York, allowing for the difference in those two degrees, 88 and 96, is more than 100 per cent, or about 100 per cent, we will say for the purposes of this illustration, why should it not be true, as these figures indicate, that the same conditions prevail as between the refined of practically the same grades?

Mr. PALMER. You have got a higher grade of sugar there. That first-mark sugar is practically all sucrose.

The CHAIRMAN. I am not speaking of sucrose. I am speaking of the sugar that is the equivalent, at least, of American refined. In fact, Mr. Atkins took it that way. He just said the "German granulated sugar." I invite your attention to his answer:

Mr. ATKINS. That German granulated sugar is not equal to our granulated sugar, and it sells a little cheaper.

I asked him, to find out.

Mr. MALBY. There is a significant remark on page 139. He says:

That German granulated sugar is not equal to our granulated sugar, and it sells a little cheaper.

The CHAIRMAN. That is right.

Mr. MALBY. What is meant by "that German granulated sugar" is the question.

The CHAIRMAN. That is true. In other words, it means that sugar referred to in this table.

Mr. MALBY. Yes.

The CHAIRMAN. I got it from Willett & Gray.

Mr. MALBY. I was wondering if he did not have in mind that there is a difference in color, or something about it that makes it sell cheaper.

The CHAIRMAN. But here is the point I want to invite Mr. Palmer's attention to. Even these figures on refined sugar show the relative difference. There is hardly a difference. In other words, it is true to the rule of trade.

Mr. MALBY. There is another difference; I do not know whether you take it into consideration. They seem to take it for granted that the prices for sugar mean cane sugar, while theirs mean granulated sugar from the beet, and there is a difference of about 20 cents a hundred.

The CHAIRMAN. Yes; I think that difference ought to be considered. But even with those differences allowed for, I have figured out that during these seven or eight years the price of New York is double the Hamburg export price, easily, with every difference allowed, and if that is true on the raw, why should it not be so on the refined, Mr. Witness, as this table indicates here?

Mr. PALMER. Let me see if I can give you any light on this.

Mr. MALBY. If you are correct about that, if the amount exceeds the amount of the tariff, why does it not come here?

The CHAIRMAN. The tariff on refined is 2 cents. That is more than the cost of production—more than the export price—year after year.

Mr. MALBY. The difference between the two prices has got to be more than 2 cents in some years.

The CHAIRMAN. In some years; yes.

Mr. MALBY. If it is of the same quality, I was wondering why it did not come in.

The CHAIRMAN. There is nothing else to add to the data except the cost of transportation.

Mr. MALBY. I do not see anything, and Mr. Palmer may be right, that it is not of the same quality.

The CHAIRMAN. If that is true of raw sugar, as he concedes, why should it not be so on the refined sugar?

Mr. PALMER. I do not know; I will have to think that out. I do know that that first-mark sugar is not the sugar that you find in hotels or private homes or restaurants in Germany.

Mr. MALBY. This is what [indicating sample of sugar]?

Mr. PALMER. This is the German loaf refined. That first mark [indicating sugar in pasteboard box] is the first product. Every man has his brand.

The CHAIRMAN. Would you call that a granulated sugar?

Mr. PALMER. Surely; oh, yes.

The CHAIRMAN. Is first mark a granulated sugar?

Mr. PALMER. That is first-mark granulated sugar [indicating sample].

Mr. MALBY. I suppose granulated would have the same meaning here as anywhere?

Mr. PALMER. Yes; only granulated has a broader or a more restricted meaning; I do not know which.

The CHAIRMAN. Has that sugar been through the process of refining [indicating sample]?

Mr. PALMER. Yes.

The CHAIRMAN. I would not call that granulated sugar.

Mr. GARRETT. They do in Germany.

Mr. PALMER. This factory that I got this cube sugar from is the only refinery in Germany which refines beet sugar without bone black.

The CHAIRMAN. That is the American system?

Mr. PALMER. Yes. That man got up that system, and he was decorated by the German Government for it; and yet they have not adopted it.

The CHAIRMAN. In other words, they refine their beet sugar there the same as we do our cane sugar?

Mr. PALMER. Yes.

The CHAIRMAN. Is this first-mark sugar that has been through a complete process of refining [indicating sample]?

Mr. PALMER. No, sir. That is sugar that has been through practically the same, but not quite the same, process that we put it through. I have been unable to find out, with all my investigations, why the Germans are apparently unable to produce direct from the beets, without bone black, the character of sugar that I showed you here the other day—this American granulated.

The CHAIRMAN. That is a curious thing, that they can not do it, when they were pioneers in the business.

Mr. PALMER. They do not do it.

Mr. GARRETT. How does this first-mark sugar compare with the sugars we have before us here from the Louisiana plantations?

Mr. PALMER. There is a sample of first-mark sugar [handing bottle of sugar to Mr. Garrett].

The CHAIRMAN. Now, I will invite you to investigate this question—I am speaking of the Hamburg price, now, taking that as the starting point. If it be true, as this table demonstrates, that in the case of raw sugar the New York price is always greater than, or nearly always greater than, the Hamburg export price by the amount of transportation and insurance cost, plus the duty, why would not that same rule operate on refined sugar—can you not answer that now, or do you want to look into that—as these two tables Mr. Atkins and I used seem to indicate about that same percentage? What is there wrong about that? I invite your attention to those two tables and invite you to furnish to the committee, in the interest of truth and right, anything you can on that. You have figured out the consumer's bill to the Government, and I want you to go over my figures—and they are Mr. Atkins's figures, because he adopts them in his answer—and show me wherein Mr. Atkins or myself, or both of us, may be wrong.

Now, I want to read you a page or two here from the record, and after I do that I will have concluded my examination. Mr. Atkins said here, on page 140, referring to foreign countries, that there had been excise taxes. He meant, of course, something equivalent to our internal-revenue tax. I read as follows:

Mr. ATKINS. There have been these excise taxes. It has been changed in all the countries during the past few years. That must be taken into consideration.

The CHAIRMAN. To some extent, of course; but do you not know, Mr. Atkins, that, as a matter of fact, there is not a country on earth—a civilized country—that is a large consumer of sugar up in the class with the United States in that respect, where the prices of both raw sugar and refined sugar have not fallen much more than they have in the United States during the same time?

Mr. ATKINS. Owing to our duty, we can not get down. You take the 4.80 for granulated sugar that we are getting at the present time. I will not undertake to tell you what it costs to refine sugar. I could not tell you, because it depends upon so many different factors. But before all the congressional committees where I have appeared the statement has been generally accepted that five-eighths cent a pound, when your raw sugar is of good quality and you are running to full capacity, is about the nominal cost of refining it.

If you will add the 63 cents to the \$3.97 you will find that out of the \$4.80 there is only 20 cents a hundred left for the refiner. Out of that 20 cents he has to pay for all his improvements and his depreciation, and he has to pay the interest on his capital; in other words, the dividends to his stockholders. On the figures I have given you, raw sugars in bond consume 54.79 per cent of the price of refined sugar.

In other words, he said that the export price was a little over half what the refining cost was.

The duty which goes to the United States Government takes 27.92 per cent of the price of the refined sugar of the cost to the consumer. The refining expense on this basis which I have given you is 13.13 per cent, and the refiner's profit of 20 cents—which is constantly fluctuating—4.16 per cent. Now, you can not get much out of the refiner there. He can not reduce those expenses. He has been working for years to cut them down 1 or 2 cents on a hundred pounds, and the price of raw sugar is down very close to the producing point. The only place where the consumer can save is through the duties to the United States Government. That, of course, up to the present time has been impracticable.

The CHAIRMAN. Just a moment on that point. What does all the sugar that is consumed in the United States—refined sugar—cost the people who eat it? What is our yearly sugar bill? I mean the wholesale price. I do not mean, of course, the retail price.

Mr. FREEMAN. I will have to figure that.

The CHAIRMAN. Suppose you do that and tell me what the wholesale price of refined sugar consumed in the United States is.

Mr. ATKINS. I suppose 5 cents a pound would be near enough; 81 pounds per capita.

Mr. FREEMAN. That is 350 pounds to the barrel?

Mr. ATKINS. You want to know what the sugar bill of the country is?

The CHAIRMAN. Yes; that is it. I will get it another way. It would be about \$368,000,000, would it not?

Mr. ATKINS. \$368,000,000; yes. Over \$100,000,000 is in tariff.

The CHAIRMAN. The Government gets \$54,000,000 out of the tariff?

Mr. ATKINS. Last year it was a little over \$52,000,000.

The CHAIRMAN. If we are paying double for our sugar what we ought to pay, the consumer is losing half of this 68, is he not?

Mr. ATKINS. Losing twice that; \$52,000,000.

The CHAIRMAN. Let us see whether he is or not. If we are paying \$368,000,000 for sugar that is bought abroad—the same amount of it—for \$184,000,000, the people are losing \$184,000,000 by the operation, are they not?

Is that true?

Mr. PALMER. No, sir.

The CHAIRMAN. If we are paying twice as much for sugar as we could buy it for at the export price at Hamburg, why is it not true?

Mr. PALMER. We are not doing it.

The CHAIRMAN. That is a question. We will have to get at that from evidence. If we are doing it, the conclusion is inevitable, is it not?

Mr. PALMER. If you are paying twice as much for the same quality of sugar the conclusion would be correct.

The CHAIRMAN. I read further:

Mr. ATKINS. I do not know that I figure that as a loss.

The CHAIRMAN. Let us see if that is not true. You admitted from these tables we are charging double the price, both on raw and refined sugar—at least double the price that is being charged in Hamburg each year?

Mr. ATKINS. Owing to our duties.

The CHAIRMAN. I understand that.

Mr. ATKINS. We have to do that.

The CHAIRMAN. Anyhow, no matter what the cause of it, it is the fact, is it not?

Mr. ATKINS. Approximately. Before I admit that I would like to look at the figures.

The CHAIRMAN. Of course, I understand that you reserve the right to qualify it in any way you can. If we are paying \$368,000,000 a year for our sugar bill, we are paying twice too much, according to the Hamburg standard. We ought to be losing \$184,000,000, measured by that rule. Therefore we are losing \$184,000,000 on account of the tariff, or the combination, or something—I do not know what exactly—and the Government is only getting \$52,000,000 of revenue. What has become of the other \$132,000,000?

Mr. ATKINS. The Government collects \$52,000,000 on half the consumption of the United States.

You see how he began to hedge a little.

The consumer naturally has to pay the duty-paid price of all the sugar he buys, and this constitutes a tariff tax on the consumer of double the tariff collected—\$104,000,000.

In other words, he says that the consumer not only pays an enhanced price on sugar that is imported, but also on the domestic sugar that is produced here. You agree with that?

Mr. PALMER. Yes.

The CHAIRMAN. And he figures this at \$104,000,000 and I figured it \$184,000,000, 132,000,000 of which went into private pockets and never reached the Treasury at all. Now, how can you qualify that at all, if my figures about the Hamburg price are right?

Mr. PALMER. Your figures about the Hamburg price are not right.

The CHAIRMAN. Well, I say, assuming they are are; and I have taken them from the tables.

Mr. PALMER. Those quotations for those years I have no doubt are right; but, taking the present condition of sugar, if our consumption last year had been entirely that kind of sugar it would have cost us \$85,000,000 less than what it did cost and we would have lost the \$52,000,000. The net exporting cost of our sugar on that basis would have been——

The CHAIRMAN. You mean the Government would have lost that much revenue, not that the people would have lost that much money?

Mr. PALMER. I thought we were the Government.

The CHAIRMAN. What?

Mr. PALMER. I thought we, the people, were the Government.

The CHAIRMAN. I do not know whether the consumer is or not. I am trying to find out whether he has anything to do with it or not.

Mr. MALBY. Let the witness complete his statement. You interrupted him.

The CHAIRMAN. I am going to let him complete it. I was just answering his interjection about the Government.

Mr. MALBY. In order that the stenographer may have something to go by, when you say, Mr. Palmer, that if we had used that kind of sugar it would have cost us \$85,000,000 less than it did cost us, you mean the lump granulated sugar—what do you call it there?

Mr. PALMER. Cube sugar.

Mr. RAKER. Is there no other name for it except cube?

Mr. PALMER. German cube.

Mr. MALBY. Does that mean that that sugar is manufactured in Germany, or is that a name?

Mr. PALMER. No; that is manufactured in Germany. And if we had bought and imported Lyle's granulated sugar, an English sugar, the saving would have been but \$47,000,000, and we would have lost \$52,000,000 of revenue. We would have been out of pocket, \$3,905,000, assuming that that revenue is worth dollar for dollar. Now, if

that revenue is not worth anything, or is at a discount, you would have to change those figures; but I figure that it is worth dollar for dollar, and if we collect \$52,000,000 of revenue, the American people are just that much ahead on that particular commodity, because they would have to pay it in some other form of taxation.

The CHAIRMAN. It all depends on the tables, does it not, of course, whether the tables that I read you, and which Mr. Atkins used, are right?

Mr. PALMER. You were using as a basis some years ago when the conditions were a little different from what they are now, and you were using as a basis an inferior grade of sugar; not inferior as to quality.

The CHAIRMAN. Mr. Atkins allowed 18 cents difference between the sugars, and you said some great authority allowed 19 cents and you said that was about right, and those figures were pretty close together. I am leaving out refined quotations. Of course refined and raw follow each other; and even if my proposition is true about the raw sugar, you can not escape the conclusion, can you?

Mr. PALMER. If we had bought our raw sugar abroad last year, our sugar bill——

The CHAIRMAN. Let us take it for a series of years. I tried to do that. I took it for eight years, beginning with the year 1900; you have not the figures for 1907, yet?

Mr. PALMER. No. We will have them in the morning.

The CHAIRMAN. Do you not believe that those figures ought to run through a series of years? Do you not believe they are more likely to be correct than if taken for one year?

Mr. PALMER. I think so generally, yes; but I think we have here entered into a period, with present conditions, when I do not think there is any doubt but what there is going to be a plethora of sugar on the New York market. In my opinion sugar is going to continue to be cheaper.

The CHAIRMAN. It is higher now. It has been mounting for the last few weeks.

Mr. PALMER. That is true, but that is merely temporary.

Mr. GARRETT. It rose 10 points last week.

Mr. PALMER. Yes.

The CHAIRMAN. That does not look like a plethora in the New York market.

Mr. GARRETT. That is all attributed to the Cuban situation, I believe.

The CHAIRMAN. Yes; that is like the cotton crop, some years it is short and some years it is plentiful.

Mr. PALMER. Mr. Guma last week in New York estimated the Cuban crop at 2,000,000 tons. He is the Willett & Gray of Cuba. He is the Otto Licht of Cuba.

The CHAIRMAN. Is he a sugar statistician down there?

Mr. PALMER. Yes; and he estimates the present Cuban crop at 2,000,000 tons, if they do not get a serious cyclone.

The CHAIRMAN. Then why is the New York sugar price going up? Do not the financiers, the buyers, pay any attention to the Willett & Gray of Cuba? Does the market continue to rise by leaps and bounds with that sort of a prospect in view?

Mr. PALMER. Yes; but they have got to have sugar now, and that sugar will not be in until next winter.

The CHAIRMAN. Yes; but I thought crop conditions controlled, to some extent, even in present quotations. It does in cotton.

Mr. PALMER. But there is not near as much speculation in futures in sugar as there is in cotton.

The CHAIRMAN. I guess that is true enough. I am sorry there is such a difference between the two articles.

Mr. PALMER. I did not mean that facetiously.

The CHAIRMAN. Yes; and it seems to me where an article is not as highly speculative as cotton generally and nearly always is crop conditions influence present prices.

Mr. PALMER. They do measureably.

The CHAIRMAN. To some extent, at least, to some extent.

Now, I have this in mind. Do you not think it would be a good deal fairer test to go by history rather than to turn to prophecy in a question like this? Would you not rather take what has already happened than what Willett & Gray or Mr. Guma may say is going to happen?

Mr. PALMER. Well, we had a very large mass of sugar from Cuba last year.

The CHAIRMAN. Yes; and even at that the price did not go down; it went up.

Mr. PALMER. Yes. Something is causing it. Russia last year produced nearly a million more tons than she did the previous year.

The CHAIRMAN. And yet the price did not drop?

Mr. PALMER. The price did not drop.

The CHAIRMAN. Do you not know what caused that? Do you not know that the wonderful increase of sugar consumption in every country in the world, especially in this country and Great Britain, caused that, and that the production is evidently keeping pace with consumption?

Mr. PALMER. That is what I had attributed it to.

The CHAIRMAN. Without having gone into the figures with a view of making a study on that point, just from the standpoint of reason and logic, that is bound to be true?

Mr. PALMER. Yes.

The CHAIRMAN. And that is the fact, I think, testified to before this committee, by some witnesses at least, that there is a tremendous increase of consumption everywhere.

Mr. PALMER. You see in Europe since they took the bounty off they have reduced their excise tax.

The CHAIRMAN. Yes.

Mr. PALMER. And that has greatly increased the per capita consumption all through Europe. Sugar is very much cheaper, although it is higher than ours now. It is much cheaper than when they had those bounties.

The CHAIRMAN. Will you venture the statement—I want to see how you turn out as a prophet—that sugar is cheaper in the United States of America than it is in the big European sugar countries now?

Mr. PALMER. To the consumer?

The CHAIRMAN. To the consumer.

Mr. PALMER. Absolutely.

The CHAIRMAN. You are sure about that?

Mr. PALMER. Yes.

The CHAIRMAN. All right.

Mr. PALMER. Would you like figures on that?

The CHAIRMAN. I am getting them at first hand every day almost from the State Department.

Mr. PALMER. You have got it from the Department of Commerce and Labor within a very short time past.

The CHAIRMAN. We are getting those figures by mail, more recent than anything the Department of Commerce has got.

Mr. PALMER. That has been published.

The CHAIRMAN. These have not even been published.

Mr. PALMER. Now, you are in the prophecy business.

The CHAIRMAN. I do not know how they are coming out yet, because they are not complete. For instance, how would you say the prices paid in Canada and in the United States compared?

Mr. PALMER. The price is a fraction below, in Canada, what it is here.

The CHAIRMAN. As I said, there is not much difference; but it seems you are right about that, from the figures I have seen. But I do not like to make any statement, because the figures are so incomplete. I have a large number of figures on that. I would be glad if you would undertake to make any corrections you can, in the interest of truth, in these two tables that I have referred to.

Mr. PALMER. Yes; I will. I want to call your attention to this. I prepared a table on it, but have mislaid it. However, I can give it to you in a nutshell. Taking the census figures for 1909 the total amount of granulated sugar produced was 496,800 tons, the total value of it was \$48,122,000, which made \$91.87 per ton, or \$4.59 a hundred; and the average New York price of granulated sugar for 1909 was \$4.76 a hundred. So that our beet sugar sold at an average of 17 cents a hundred less than——

The CHAIRMAN. Cane refined?

Mr. PALMER. Than the cane refined sugar. That applied to the production of beet sugar made a saving to the people of \$1,686,000.

Now, if it will be fair to say that by reason of that sugar being made in the West it saves a freight rate of 40 cents a hundred, then you have a saving on that sugar alone of nearly \$6,000,000. But you would have to estimate that; it would not be the whole freight. But at all events, there is a very considerable saving to the people in the purchase of an equally good sugar made from beets. Of course that amount would increase as the production of the sugar increased.

The CHAIRMAN. You mean that is on account of the difference that the trade makes between cane sugar and beet sugar?

Mr. PALMER. Yes. The people got an equally good beet sugar during the year for several million dollars less than other people purchased the same quantity of cane sugar for.

Mr. GARRETT. But you do not mean to say that it is on account of the freight rate; it is on account of that condition?

Mr. PALMER. I mean to say that 17 cents a hundred pounds is the actual difference in price.

Mr. GARRETT. But that does not grow out of the freight rate?

Mr. PALMER. That does not; no, sir. That is in addition. Now, whatever other saving there would be in freight would be added to that amount; but that would be a mere estimate.

Mr. GARRETT. The general trend of the testimony before the committee, of course, as you know, has been that the people in the localities where this beet sugar is produced have not had the advantage of the freight rate.

Mr. PALMER. I know they have added a large portion of the freight rate; as I say, I would not venture to say what portion of it. But there is some portion in addition to the saving, in addition to that 18 cents; there was a saving to the American people on the freight proposition.

The CHAIRMAN. On the freight proposition?

Mr. PALMER. There was some saving on the freight-rate proposition.

The CHAIRMAN. I understood these gentlemen all to say that they added the freight rate.

Mr. PALMER. Generally; yes.

The CHAIRMAN. Did any of them say differently?

Mr. PALMER. For instance, Mr. Wagner, of the Wisconsin Sugar Co., told me that they sold sugar as low as 40 cents under the New York price, plus the freight.

The CHAIRMAN. Sold it where? We have not had any sworn testimony like that at all, have we, from anybody before us?

Mr. PALMER. Yes; you have had the testimony of Mr. Spreckels, where they absorbed the freight rate.

The CHAIRMAN. Is that so?

Mr. PALMER. You have had quite extensive testimony on that.

Mr. GARRETT. On certain refined cane sugar.

The CHAIRMAN. We are speaking of beet sugar. Has there been any testimony like that from the beet-sugar people?

Mr. GARRETT. I do not recollect that there has, Mr. Chairman. I think Mr. Gilmore and Mr. Jamison testified to it. I think they all swore to it. If not in that form, they did in this: They have said, as I recall it, that wherever they met any competition, and the freight rate was more between New York and that place than it was between their competitor and that particular place, they absorbed the freight rate.

The CHAIRMAN. Yes; you can take the Georgia illustration, for instance.

Mr. GARRETT. Yes; but they testified that there was a considerable region of the country where, at a certain period of the year, when the beet-sugar men were disposing of their sugar, they did not enter or attempt to enter, and when they were asked the reason why they said it was the freight rate and the fact that the beet-sugar men were unloading their sugar onto the market at that time.

The CHAIRMAN. Yes; I remember now what the true line is on that point. The beet-sugar people, however, according to what I think is the uncontradicted testimony in this case, right at their door, in their immediate territory, always added the freight rate. When they reached out to Missouri River points and went to competing with cane sugar or other beet-sugar people, or when the cane sugar reached down in Georgia and went to competing with some other fellow there, they did it; but they never do it unless the competition in the territory between them forces them to it. That is right?

Mr. PALMER. Yes.

Mr. MALBY. I think that is substantially correct. I see at page 1158 Mr. Gilmore, in answer to Judge Raker, testified as follows:

Mr. RAKER. And he said that the freight rate is adjusted some way so that they do not ship it East.

Meaning beet sugar, of course.

The CHAIRMAN. Yes.

Mr. MALBY (reading):

Mr. GILMORE. They absorb the difference in freight themselves, because they have a margin on which they can stand it.

Mr. RAKER. This beet-sugar industry, and the competition between that and you, is more of an imagination than it is of a reality, is it not?

Mr. GILMORE. No; I think it is an actuality.

The CHAIRMAN. That is what I say. When they reach out to Mississippi River points, they very often absorb some freight, but in dealing with their own folks at their own doors they always add the freight because they can.

Mr. MALBY. Instead of having a governmental tariff, they have got the distance that has got to be covered by the railroad?

The CHAIRMAN. Yes.

Mr. MALBY. There is considerable of Mr. Gilmore's testimony on the same line.

The CHAIRMAN. That is, in competitive territory?

Mr. MALBY. Yes.

The CHAIRMAN. As long as we have gotten into that I will ask a question or two. It is a peculiar thing that in some of these western cities, like Detroit or Denver or Salt Lake City, there is not some real competition between these people, who could afford, producing it as cheaply as they do, to sell their sugar lower at those points than they could sell their sugar at Missouri River points and pay the freight. Why is that? Why do they not give the people the advantage of location?

Mr. PALMER. I suppose they do not give it to them because they do not have to.

The CHAIRMAN. If they compete with each other?

Mr. PALMER. If the Great Western, for instance, is in Denver, I imagine that when Mr. Wiley, of the Holly Sugar Co., has got some sugar he wants to sell, he makes a shave a little under the Great Western.

Mr. MALBY. Mr. Chairman, on this matter might I read another question and answer of Mr. Gilmore on page 1159?

The CHAIRMAN. Certainly.

Mr. MALBY (reading):

Mr. RAKER. The beet-sugar people got in Pittsburg, Pa.?

Mr. GILMORE. Yes.

Mr. RAKER. From where?

Mr. GILMORE. I do not know where from. I do not know what the brand was, or anything about it. I know the fact.

Mr. RAKER. What time of the year was it?

Mr. GILMORE. I know that it was so much so that a house owned by Arbuckle Bros. there was compelled to take the beet-sugar business in and buy it and sell it in competition.

Mr. PALMER. Yes.

Mr. MALBY. I put it upon the lines of the fact that it is cheaper.

The CHAIRMAN. In competitive territory that is true of both beet and cane.

Mr. MALBY. That is, in Pittsburg.

Mr. PALMER. I do not understand that in any manufacturing business articles are sold cheaper in those locations. Take, for instance, the Douglas shoes. I do not suppose those shoes are sold any cheaper in Brockton, Mass., than they are in Galveston, Tex. And the same way with all kinds of manufactured articles. I do not believe they give the local people the benefit of the location.

The CHAIRMAN. Neither the retailer nor the consumer gets it, I suppose?

Mr. PALMER. I do not think they get the benefit of it.

The CHAIRMAN. The wholesalers pay the freight on these things. The retailer pays it?

Mr. PALMER. Yes.

The CHAIRMAN. If a retailer in Atlanta buys Douglas shoes, and buys them for exactly the same price in Boston as the Boston dealer pays, and then pays the freight to Atlanta, if he sells them at the same price—and I believe they are sold at the same price everywhere—he does not make as much as the Boston merchant does?

Mr. MALBY. That is right.

Mr. PALMER. Whether Douglas absorbs any of the freight or not, I do not know.

The CHAIRMAN. It is not the rule in ordinary manufacturing enterprises, as you suggest, nor it is not the rule like it appears to be in sugar. For instance, if a Georgia merchant buys merchandise in New York, he can not buy it any cheaper than the New York man can, and he must pay the freight. So that if when he gets it home he sells it to the consumer as cheap as the New York merchant does, he makes less profit, and that is all there is to it.

Mr. PALMER. Yes.

The CHAIRMAN. In sugar that does not seem to be exactly true?

Mr. PALMER. Yes.

The CHAIRMAN. The reverse is true of sugar?

Mr. PALMER. No; as one of those tables shows, for 10 years sugar was three-fourths of a cent a pound higher in New Hampshire than it was in the State of Maine, and they are both of them close to Boston.

The CHAIRMAN. That is not true now? That is not the normal condition in the sugar business now, is it?

Mr. RAKER. You mean the retail price?

Mr. PALMER. Yes.

Mr. RAKER. That is easily accounted for.

Mr. PALMER. Yes.

The CHAIRMAN. If there was any real competition, would it not be true between these different manufacturers of sugar that the freight might be different? In other words, if they were competing with each other in Detroit and St. Louis—well, they are in St. Louis—in Denver, and in Salt Lake City, and these other Western States that are peculiarly the capitals of the beet-sugar territory, why, then they might have to give up that freight instead of adding it to the price to the consumer, would they not?

Mr. PALMER. Yes. Well, I do not know anything practically about the marketing of sugar. I have never been a marketer, but I do know this, from contact with our people, that there is very keen competition.

The CHAIRMAN. Very keen competition?

Mr. PALMER. I judge from this testimony here that there is very keen competition between the refiners.

The CHAIRMAN. Amongst the refiners? Now, let me read a letter which has just been submitted as additional testimony, to show what competition there is between the refiners.

Mr. MALBY. From whom is that letter?

The CHAIRMAN. Mr. Henry C. Mott, the purchasing agent of the American Sugar Refining Co. This letter reads as follows:

THE AMERICAN SUGAR REFINING COMPANY,
New York, July 26, 1911.

HON. T. W. HARDWICK,

Chairman, House Committee Building, Washington, D. C.

DEAR SIR: Referring to my testimony yesterday before the sugar-investigating committee, the date of my buying raw sugar for the Western Sugar Refining Co., of San Francisco, was during February and March, 1906.

Now, there he was buying sugar for one of their competitors, clean across the continent. The great Western Sugar Refining Co. is located in San Francisco.

On looking the matter up I find in my files carbon copies of several letters from the Western Sugar Refining Co., dated during the month of March, 1906, addressed to various sugar brokers in New York, suggesting that they see me—

Now, mind you, he at the time was a salesman of the American Sugar Refining Co.—

If they wish to make any further offerings to the Western Sugar Refining Co. These letters are signed "The Western Sugar Refining Co., by H. P. Howard, office manager," who must be the gentleman referred to by Judge Raker. I had entirely forgotten his name, because letters from the Western Sugar Refining Co. to me were at that time usually signed by W. H. Hannam, secretary.

The rest of the letter is on another subject, but I will read it into the record:

Since leaving the stand I recall that for some time certificates of stock of various beet-sugar companies stood in my name, and that in that connection I wrote various letters to officers of such companies in regard to such stocks.

I inclose details of balance sheet for 1910, as requested by Judge Raker.

Respectfully, yours,

HENRY C. MOTT.

Do you regard that as fairly good evidence of competitive conditions between refiners, where one of them was letting this buyer for the biggest competitor in the country pass on the question of what offerings should be made in New York?

Mr. PALMER. As I understand, Mr. Mott is the buyer of the American Sugar Refining Co., and he is not the seller.

The CHAIRMAN. That is true; but is not that all the more significant?

Mr. PALMER. No; I can see why they might have an object in that, to make money by combining on the purchase of sugars.

The CHAIRMAN. Oh, well; but this authority that the Western Sugar Refining Co. gave him was to decide as to various sugar brokers in New York, and to let them know whether the Western would let them have any more sugar.

Mr. PALMER. Would let them have any more sugar?

The CHAIRMAN. Yes. He says, "addressed to various sugar brokers in New York, suggesting that they see me."

Mr. PALMER. No; that is relative to the purchase of raw sugar.

The CHAIRMAN. No; it is relative to the sale of refined. No; I believe I am wrong. He says, "if they wished to make any further offerings." It is relative to the purchase of raws. I accept that correction. I remember, now.

Mr. PALMER. I think he is the purchaser of raw sugar.

The CHAIRMAN. He is the purchaser of raw sugar for the American Sugar Refining Co., and the sugar brokers to whom he refers are sugar brokers offering raws in New York. I am right now?

Mr. PALMER. Yes.

The CHAIRMAN. And he said they wrote these brokers to see Mr. Mott as to the sales to them. Now, there could not be any competitive condition as to buying sugar between those companies while that was going on, at least, could there?

Mr. PALMER. I should not say there was. I can see how they would save themselves money by having an understanding for the purchase of raw, just as they could——

The CHAIRMAN. By having an understanding in the selling of refined?

Mr. PALMER. No; just as the meat men in Chicago are said to have on the purchase of live stock.

The CHAIRMAN. Exactly. In other words, if there was a combination suggested by the circumstance to which this letter refers, it would be a combination for the purchase of raw?

Mr. PALMER. Yes; and I can not see that it would include a combination for the sale of refined.

Mr. RAKER. In other words, it was a sort of tacit understanding that they would not buy until the price went down?

The CHAIRMAN. No; not necessarily. It was an understanding that they would not bid against each other.

Mr. MALBY. Of course, the object of that was to buy raw sugar as cheap as possible.

The CHAIRMAN. Yes; of course.

Mr. MALBY. That, of course, would not result in any injury to the American consumer.

The CHAIRMAN. Yes; but if they were combined that way on one branch of business, it does not look unreasonable to suppose that they would combine in another branch. If they would pool together on buying, they would pool together on selling.

Mr. MALBY. I do not think that conclusion follows.

The CHAIRMAN. Not necessarily.

Mr. MALBY. It shows an understanding.

Mr. RAKER. If they had reached an understanding in regard to what they buy, why would they not have the same sort of a wireless telegraphy and understanding in regard to the fixing of the price at which they would sell?

Mr. MALBY. I do not think that follows.

The CHAIRMAN. This might follow. It might affect it in this way, that of course the amount of sugar refined is an important factor on the market price, is it not?

Mr. PALMER. Yes.

The CHAIRMAN. And if one factory away out in California gets to producing too much, it gluts the market and runs the price down; that would be the tendency?

Mr. PALMER. That would be the tendency.

The CHAIRMAN. So that if they are in concert, as you say, they shall buy and operate together; I think it looks like that might indicate an agreement as to the output, at least?

Mr. PALMER. I could not say that necessarily followed from that letter.

The CHAIRMAN. No; I agree with that, it does not necessarily follow. Still, that is one of the things that might be indicated by that sort of a condition.

Mr. PALMER. It might be, but not necessarily.

The CHAIRMAN. I agree with you about that, but it might be very well true?

Mr. PALMER. If three or four of us here might be the strongest competitors in the world on the manufactured product, if the raw product is a standard product, as raw sugar is, we very easily could have a tacit understanding as to the purchase of raws, and keep the price of raws down.

The CHAIRMAN. That is exactly what I am glad to bring out information on, because I want to suggest one or two questions to you. Do you think that three or four merchants in Atlanta, Ga., or in San Francisco, Cal., or in any other city you can think of, who are real competitors, when they come together to sell their products, would be liable to go into a combination to get together and buy together from the same man in New York or the same concern?

Mr. PALMER. No; I do not think that is a parallel case. You take it right here in Washington. When the department clerks tried to start a cooperative store—as I understand, I have never investigated it—it was the general understanding that the merchants here, the wholesale merchants, were advised by the retailers that if they sold to this party they would not buy of them. I understand that is the reason that cooperative movement was a failure here in the city of Washington.

Mr. RAKER. A single merchant, or a combination of merchants, always fight the cooperative stores; that is a sure thing.

The CHAIRMAN. Gentlemen, I have asked this witness all the questions I care to.

Mr. MALBY. I have one or two questions I want to ask, because I have not heard the testimony. You may have answered this question, and you may not; if you have, it need not be repeated. I asked Mr. Spreckels, at the New York hearing, what sugar it was that was manufactured or refined in London which corresponds with our granulated sugar; can you tell us?

Mr. PALMER. Lyle's granulated.

Mr. MALBY. Let me call your attention to what his reply to that was. I mentioned Lyle's granulated. He said that Lyle's granulated sugar was a special brand of sugar, and therefore sold at a higher price on account of the brand. What do you know about that? Is Lyle's sugar the one which is quoted on the market in London as being the equivalent of our American granulated or not?

Mr. PALMER. On my return from New York I sent a cablegram to Czarnikow, and that cablegram has gone in the record, asking

several questions concerning that particular thing, in view of what Mr. Spreckels testified to.

The CHAIRMAN. I believe you finally said it was three points difference?

Mr. PALMER. Yes.

Mr. MALBY. Does the record show that the difference between that——

Mr. PALMER. Three points.

The CHAIRMAN. He said three points; 3 cents a hundred pounds.

Mr. MALBY. If that is accepted as being a correct statement, that will be sufficient. He stated that the best market to compare with our own was that of Hamburg. Is that your understanding of it?

Mr. PALMER. Yes, sir. I do not think we would buy much sugar from Great Britain if we produced no sugar at home.

Mr. MALBY. However, the prices are quoted as of London, but they secure the actual price at Hamburg?

Mr. PALMER. Yes, sir. As I have tried to show, the quotations on sugar at Hamburg, on granulated sugar, are misleading to the public.

Mr. MALBY. I am just trying to get at that very briefly. What is the quotation at Hamburg? That is, what is the character of the sugar there which we are invited to make the comparison of? In the first place, it is called what?

Mr. PALMER. It is called first-marks granulated.

Mr. MALBY. That is the sample of sugar that you have exhibited to the committee, which apparently is not as white as our granulated sugar?

Mr. PALMER. No, sir; you can see by that sample.

Mr. MALBY. I can see it is not, but I wanted to have something in the record to show. Except as to color, it is a coarser sugar, is it not?

Mr. PALMER. That simply happens to be so.

Mr. MALBY. That is what I want to know. Does that happen to be so, or is it generally so?

Mr. PALMER. That is not generally so. That would not affect the price of it.

Mr. MALBY. In addition to that, the color to which you have called our attention—that is also made from the beet?

Mr. PALMER. Yes, sir.

Mr. MALBY. While our prices are the prices quoted for granulated sugar made from the cane, are they not?

Mr. PALMER. The New York quotations at present. When they imported large quantities of beet, as I understand it, they dumped it into the same vat and melted it up.

Mr. MALBY. I am talking about our present quotations. I was in hopes we could get this simplified a little.

The CHAIRMAN. Will you just pardon me there a moment, Mr. Malby?

Mr. MALBY. Certainly.

The CHAIRMAN. You called attention just now to that difference of 17 points between beet and cane, and you said that resulted in a saving of so much to the American people. As a matter of fact, the consumer does not get the benefit of a cent of that difference, does he? But the retailer gets it, and side by side in the retail stores all

the sugars are indiscriminately sold, first one and then another, at the same price, are they not?

Mr. PALMER. That I do not know.

The CHAIRMAN. That is the evidence.

Mr. PALMER. I think the evidence here shows that in some of the western markets, I think San Francisco, the retailer sold beet under what he sold cane; but I am not certain.

The CHAIRMAN. That is not true, generally, throughout the country.

Mr. RAKER. I wish you would find out if that is a fact. I have found it the other way. They would put them side by side.

Mr. PALMER. There is no reason why it should be that way.

The CHAIRMAN. You would not think—your experience in examining the two sugars, and what you know, would not lead you to think—that the consumer would get any difference?

Mr. PALMER. If he bought in 100-pound lots——

The CHAIRMAN. He might?

Mr. PALMER. And the bags are all branded. He might force the dealer to give him a discount, because he says, "You are buying that sugar cheaper than you are the cane."

The CHAIRMAN. I mean the ordinary day-to-day, hand-to-hand consumer.

Mr. PALMER. I should not say so.

The CHAIRMAN. That is all. Excuse me, Judge Malby.

Mr. MALBY. So that, at the present time, and for some considerable time, when we are speaking about the New York price, we understand that to be the price of granulated sugar manufactured from the cane?

Mr. PALMER. And that price, Judge, is the price of their best product. When we are comparing figures here, I have not taken advantage of what is called soft granulated, which runs from 20 to 25 cents under the hard granulated, and is a handsomer sugar than this German first-marks. But I have invariably taken the best sugar, because the bulk of our sugar is the best that is to be had.

Mr. MALBY. I think we have that pretty fairly understood. Let me see if I understand. Is their price based on what you call 88 per cent sugar? Is that the comparison that you make with our granulated?

Mr. PALMER. No, sir; that is the raw sugar. The comparison that is being made is made with the first-marks granulated.

Mr. MALBY. Exactly. Now I think I have it in my mind. Considerable has been said, first and last, about how much cheaper you would get sugar if we purchased it abroad. All of those suggestions, I take it, are based upon what I regard as an erroneous assumption, or perhaps not erroneous, because the facts are known, but a misleading or an unfair deduction from known facts. First, you purchase from Germany a beet sugar; you purchase a sugar which, on any market possibly save our own, would, by reason of the conditions to which you called our attention, sell for less money. It is based upon the further fact that we could at any time purchase seven or eight hundred thousand tons of sugar without affecting the world's market—which I regard as erroneous, if it is not ridiculous.

Mr. PALMER. True.

Mr. MALBY. It is also based upon the further mistake, as I have figured it out, that the freight rates do cut a considerable figure, according to the universal testimony of them all, of what sugar sells for in certain portions of the United States, and in particular in that territory contiguous to places where beet sugar is being manufactured. It also does not take into account the fact that when beet sugar is put upon the market together with the desire, not the necessity, of disposing of it, it is sold for even a price under what it would otherwise be sold for if kept and supplied throughout the year.

Mr. PALMER. That is true.

Mr. MALBY. All of those conditions, are they not, are ignored when we are trying to state the benefits to be derived by the people in abolishing the tariff and getting our supply from abroad; is not that a fact?

Mr. PALMER. Absolutely.

Mr. MALBY. While the truth of the matter is that the prices are kept where they are, in part at least, by the fact not only of the tariff, but the fact that we are manufacturing a better sugar, and which sells quicker upon the market. We are producing, to the world's supply, to our own home supply, eight or nine hundred thousand tons a year. Our factories are located advantageously throughout the United States, so as to supply the contiguous territory, and hence, from the very nature of things, many of our people—at least, the consumers of this country—are getting sugar very much lower than they would if we had free trade and were able to buy abroad sugar less than the amount of the tariff itself, by reason of the freight rates, etc., and then not get as good a sugar—that is, not as salable a sugar, I mean.

Mr. PALMER. That is true.

Mr. MALBY. Have you any means of ascertaining or computing or knowing, so as to furnish the committee with data which would be accurate, the real facts on the present prices of sugar in this Union if the tariff were abolished, and followed by the destruction of the beet and cane sugar industries in the United States? Have you made such a study as to be able to ascertain and to say to this committee how much less they would be able to get sugar for than they do now? Is there any means of ascertaining?

Mr. PALMER. I have presented to the committee a table showing how much less sugar could have been bought for last year had the duty been abolished, but that table does not take into consideration any of these other features that you speak of.

Mr. MALBY. That is just the point about it which should be taken into consideration.

Mr. PALMER. True.

Mr. MALBY. If you are to get at the exact facts.

Mr. PALMER. And, furthermore, if these sugars were all imported, there would have to be an allowance of a profit to somebody receiving and distributing those sugars in this country. When you present the bare figures, you do not take that into consideration. What that brokerage would be I do not know, but in the aggregate it would be a considerable sum, and all of those things ought to be figured on in making up an estimate.

The CHAIRMAN. Is there not one other factor, neither one of you has yet mentioned, that should be taken into consideration? You have mentioned this in connection with another matter. You have said that when we reduced the Cuban duty 20 per cent we wonderfully stimulated the production of Cuban sugar. Would not the opening of the greatest sugar market in the world wonderfully stimulate production in sugar?

Mr. PALMER. It would stimulate production.

The CHAIRMAN. Is not that a factor that ought to be considered, and a great factor, too?

Mr. PALMER. Oh——

The CHAIRMAN. Answer that; is it not?

Mr. PALMER. It would be a factor. But I think, Mr. Chairman, this, that it would stimulate production; but, until that production got up with the sugar that we had deprived ourselves of, you would not get the full benefit.

The CHAIRMAN. From the very beginning it might stimulate it as much as we would lose it.

Mr. PALMER. No; I do not think the history of the sugar industry would bear that out.

The CHAIRMAN. I understood you just now, in talking about Cuba and Porto Rico and the Philippines—particularly the Philippines—to maintain the very reverse of that proposition.

Mr. PALMER. Not immediately. The Philippines could not supply us with sugar immediately; it would take several years for them to do it.

The CHAIRMAN. Oh, yes; but there are other countries that could very rapidly. For instance, you just said that Russia increased her production a million tons.

Mr. PALMER. Nearly a million tons.

The CHAIRMAN. And Russia is by no means the largest sugar-producing country?

Mr. PALMER. She is the second now.

The CHAIRMAN. Austria-Hungary is right with her?

Mr. PALMER. They are third.

The CHAIRMAN. And Germany, of course, leads her?

Mr. PALMER. Yes.

The CHAIRMAN. France is not a bad fourth, is she?

Mr. PALMER. No.

The CHAIRMAN. And Norway and Sweden are not to be disregarded, are they?

Mr. PALMER. Norway produces no sugar, and Sweden exports no sugar.

Mr. MALBY. Take Cuba; reference has been made to that. I rather agree with the chairman that if there was no tariff on sugar and Cuba occupied the same relative position with our market that it now does, it would stimulate the importation; but the difficulty with that argument is that it would not.

Mr. PALMER. It could not.

Mr. MALBY. Because it now occupies a position having a differential rate of the difference between 1.34+ and 1.68+. But if you had free sugar she would not have that differential, but could be put squarely upon the basis of competition with other countries. What

effect that competition would have with other countries I do not know; it is a mere guess.

Mr. PALMER. You have another thing to take into consideration.

Mr. MALBY. You have other countries. You have Java and other countries that are producing sugar which would have a right to come in. What effect on Cuba that would have, and what further effect it would have by the introduction of the cheaper beet sugar from Europe, of course, no one can tell. They are simply matters for consideration, it seems to me. I do not see any way you can figure it.

The CHAIRMAN. No; it is a mere guess, or prophecy.

Mr. PALMER. Not only would our eight or nine hundred thousand tons be wiped out, but the wonderful stimulus that free entry into our market has had on the sugar produced in Hawaii and in Porto Rico would be gone, and those countries not only would not increase, but, in my judgment, would decrease their production.

The CHAIRMAN. Can not those prominent countries hold their own with the beet countries of Europe?

Mr. MALBY. The difficulty is they did not do it before.

The CHAIRMAN. They are built up now; they are established and on their feet.

Mr. MALBY. I think they could help.

Mr. PALMER. Porto Rico can not produce as cheaply as Cuba.

The CHAIRMAN. Cuba can stand against the world, can it not, on cane sugar, right here at our door?

Mr. PALMER. It can stand against the most of it.

Mr. MALBY. I simply called attention to these considerations in order to demonstrate how difficult, not to say foolish, it was for us to sit down and attempt to cipher out with paper and pencil the exact amount which the American consumer would gain if the tariff was removed, because my idea about it has been that the experience of this country has been that when that very thing was done the thing happened which was in mind would, to wit, that the price of sugar did not go down by the amount of the reduction of the tariff.

Mr. PALMER. True.

Mr. MALBY. I am answered by them, by some witnesses, who suggest that perhaps there are conditions which resulted in it not being reduced by the full amount of the tariff. But when asked what those conditions were, they do not know. My own judgment has been they were those conditions of which we speak.

There is another thing in my mind which I regard as of importance, and you may have given it some study, and you may not have. Sugar has got to be not only an article of common use, but, in my judgment, an article of necessity—I regard it as an article of necessity. But it has been demonstrated to be a great food product. The benefits to a country in the raising of its own food products are a matter for serious consideration, are they not?

Mr. PALMER. They are.

Mr. MALBY. To illustrate that, it may be said bread is more necessary than sugar, and we perhaps could better get along without sugar than without bread. Yet, to my mind, second only to the production of wheat in this country, or the ability to get it, is the production of sugar.

Mr. PALMER. That is correct.

Mr. MALBY. Every country of the earth which can to-day produce sugar within its own bounds is producing sugar, is it not?

Mr. PALMER. Yes, sir.

Mr. MALBY. And it has become the settled policy and practice of the greatest countries of Europe to stimulate that industry by a tariff so high that to-day every country of Europe that can raise sugar; is not only raising it, but raising more than enough for home consumption and some for export?

Mr. PALMER. That is true.

Mr. MALBY. That is the way in which this proposition is regarded, at least abroad, by every civilized country on the earth?

Mr. PALMER. It is.

Mr. MALBY. Your judgment about the matter was, I think you expressed it to the chairman, that if our tariff was sufficiently high—I am not saying how high, but you said sufficiently, and I do not know whether that is 5 or 10 points, but whatever it may be—perhaps a graduated tax would be better, so that our people would not, in the meantime, have to pay too heavy a price; that in the course of 10 years we could produce all the sugar we need in this country.

Mr. PALMER. I certainly believe so.

Mr. MALBY. That, according to present prices, I think the chairman has figured out to be about \$480,000,000.

The CHAIRMAN. Three hundred and sixty-eight millions.

Mr. MALBY. \$380,000,000, all coming from our own soil, and all paid to our American citizens in one form or another. Would that not be a sufficient incentive, in your judgment, to adopt just such a policy?

Mr. PALMER. It would.

Mr. MALBY. Would it not in the end result in a substantial benefit to the citizens of this country, were they to adopt just such a policy, which is in accord with the policy that has been adopted by every European country where sugar can be raised?

Mr. PALMER. And I think that would be the smallest part of the benefit; that three hundred and odd million dollars.

Mr. MALBY. There is another consideration—but this leads to an endless amount of discussion, perhaps. Being a sort of an agriculturalist, and having had some experience in New York in trying to raise sugar beets, we found out we could not do it in sufficient quantities. The experiment did show what I would call, perhaps, collateral benefits—that is not a very good word, either; but you get the idea, perhaps; that is, the cultivation of the beets results in a higher cultivation of the lands. It also necessitates a rotation of crops, going from one piece of land to another, but always leaving a piece of land which had been cultivated and used for sugar beets in a better condition than it was before.

Mr. PALMER. Yes, sir.

Mr. MALBY. And in a better condition to raise subsequent crops?

Mr. PALMER. Yes, sir.

Mr. MALBY. Of a different kind?

Mr. PALMER. That is true.

Mr. MALBY. Benefits of that kind you can not estimate in dollars and cents; it does not enter into what the country gets out of sugar.

Mr. PALMER. You can estimate it to this extent—

Mr. MALBY. Have you given that any consideration, and if so, with what result?

Mr. PALMER. Yes, sir; I prepared a table on it which has not been put in here. I took the German figures, where they had taken two periods of 10 years prior to beet culture and 10 years after beet culture, 35 farms in the Province of Saxony, running from 600 to 1,500 acres.

The CHAIRMAN. What period of years, about?

Mr. PALMER. It was either the sixties or seventies.

The CHAIRMAN. There has been tremendous agricultural development, regardless of beets entirely, in Germany and everywhere else since that?

Mr. PALMER. Oh, yes; but this was back there to show just what beets did.

The CHAIRMAN. You can not see by that, can you?

Mr. PALMER. Yes.

Mr. MALBY. Let him go on and tell what he did see.

Mr. PALMER. They took these 35 farms and introduced beet culture, after keeping track of the entire produce of the farms for 10 years, and then rotated with sugar beets for 10 years and took the increase.

The CHAIRMAN. Give me those years as near as you can.

Mr. PALMER. I have it in another publication—that is, the dates. I can give you the findings.

Mr. MALBY. You will furnish the dates?

Mr. PALMER. Yes, sir. The following official figures are of experiments made on 135 German farms of five hundred to a thousand acres each, the figures being in pounds of average crops per acre. Perhaps you do not care for the figures, and I will give you the percentage of the increases of each crop. The increase in wheat was 24 per cent; the increase in rye was 15 per cent; the increase in barley was 25 per cent; the increase in oats was 41½ per cent; the increase in potatoes 102 per cent. I did this, applying those figures to the 1907 production of Germany and the United States, based on American farm values. I have no way of getting farm values on the other side, but a bushel of wheat at the same price here and the same price there, and that difference made a total difference in the acreage that Germany had in five crops—wheat, rye, barley, oats, and potatoes—that difference made on her crops for the year 1907 was \$600,000,000, and that difference applied to our acreage the same year amounted to \$1,400,000,000.

Mr. MALBY. Of course, that is on the assumption that all of this land had been subjected to beet culture at some time or another?

Mr. PALMER. Yes and no.

Mr. MALBY. Which probably would not be the case on all of it.

Mr. PALMER. Here is the way they have figured. Not all of their land has been subjected to beet culture. There are vast areas of land over there where there are no beets at all. But the culture of beets has been such an object lesson to them that where they do not have beets they put in crops that take the place of beets, like the mangel-wurzel.

The CHAIRMAN. That gets us into a very much broader field, the rotation of crops. I can give you years in the South, in this country, where, without any beets at all except for garden purposes, the percentage of increase is even greater than this, and due to better farm

management, better fertilization, and more intelligence applied to the cultivation of the farm.

Mr. PALMER. True.

The CHAIRMAN. So all those things ought to be considered there.

Mr. PALMER. And in the Secretary's report here he distinctly tells you that every beet-sugar factory is an agricultural experiment station.

Mr. MALBY. There is another matter in connection with your statement that is significant, and that is that when you compare for a period of years the annual wheat crop of our western prairies—as I take it, as good land as there is in the world anywhere—with the crops which are raised in France or in Germany, the crop in France and in Germany, whether it is wheat, rye, oats, or barley is substantially double that average crop in the United States for the same cereal. I do not know any reason why, unless—

The CHAIRMAN. You do not think wheat does, do you?

Mr. MALBY. I do not say so.

The CHAIRMAN. Probably any other vegetable would have done the same thing.

Mr. MALBY. I do not think so. I think it has proved an object lesson. We found in New York that you could not raise a beet unless you had the right kind of soil, and the right kind of climate, and the right kind of cultivation. It requires a higher degree of cultivation and of soil to raise a beet, and by reason of that extra effort in the tilling of the soil, it has taught the farmer to apply those methods to other grains, and with good results.

Mr. RAKER. You have that soil and climate and cultivation in the zone belt for beets in New York?

Mr. MALBY. The difficulty about the beet growing in New York we found was this—that on a farm of 100 acres of land would be from 3 to 5 acres of land out of the 100 that would raise splendid beets, just as good as anywhere in the world, and that was all. The next farm might not have any land that would raise a beet. So that in order to supply a factory it took a vast area of country to supply the beets, and they were in such small quantities that the farmer could not bother with them, because it required a high degree of cultivation, and they did not want to bother with it. So that one of our factories—and I guess both of them—closed, notwithstanding the fact that for several years we gave them a very large bounty. That is one of the effects I wanted to call attention to. It is worthy, I think, of consideration, although it may not be.

The CHAIRMAN. He submitted several tables on that.

Mr. PALMER. When Napoleon the Third, in 1853, went up to Valenciennes, which is in the beet-raising district of northern France, a triumphal arch was erected, over which they put "Sugar Manufacture." On one side they had:

Napoleon I, who created it.—Before the manufacture of beet sugar the arrondissement of Valenciennes produced 695,750 bushels of wheat and fattened 700 oxen.

On the other side:

Napoleon III, who protected it.—Since the manufacture of beet sugar was introduced the arrondissement of Valenciennes produces 1,157,750 bushels of wheat and fattens 11,500 oxen.

Mr. MALBY. Does that mean in the same territory?

Mr. PALMER. In the same territory.

The CHAIRMAN. During that period there were marked improvements in agriculture?

Mr. PALMER. And the sugar beet, Mr. Chairman, is just as thoroughly and definitely the father of modern agricultural science and skill as any man is the father of his child.

The CHAIRMAN. That is very interesting. You think that is what started us to looking into this intensive farming?

Mr. PALMER. Yes, sir. At the time of Napoleon, before he got into his zenith even, the agricultural condition of Europe was the worst it had been in for thousands of years. They were only plowing 8 and 4 inches deep. They had to rest their soils every fourth year; not only to rest them, but to take out the weeds; and they soon found with the cultivation of sugar beets they could grow enormous crops, and it solved the problem which every European thinker had uppermost in his mind at that time, how they were going to feed their ever increasing population. And it was, as I think I alluded to the other day, when that point got into Napoleon's head—and I did not mean to say, Mr. Chairman, that the matter of the colonial system that advanced Great Britain had nothing to do with it; not at all, those two things went hand in hand—when he saw that by cultivating sugar beets—

The CHAIRMAN. He would be independent of Great Britain and the colonies in the matter of sugar?

Mr. PALMER. He would not only be independent of her, but would double the productivity of the soil; then is when he issued the famous edict and ordered the farmers to raise beets.

The CHAIRMAN. The necessity of getting his supplies independent of over-seas territory was the thing that directed his attention to the cultivation of beets for the manufacture of sugar, and then these other things, while they were investigating, probably developed.

Mr. PALMER. He did the same thing in regard to indigo.

The CHAIRMAN. Yes; that is right.

Mr. PALMER. I do not think he succeeded as well in that. But his idea was to make France independent of the world, and I have two or three illustrations I made a memorandum of. For instance, France has the same area as have our three greatest wheat-producing States, Kansas, Minnesota, and North Dakota. France had 16,000,000 acres of wheat and those three States also had 16,000,000 acres; this is 1907 I am speaking of.

The CHAIRMAN. In wheat?

Mr. PALMER. In wheat. So France was as much of a waving wheat field as were our greatest wheat States. From our 16,000,000 acres of wheat we harvested 180,000,000 bushels; from her 16,000,000 acres of wheat France harvested 325,000,000 bushels.

The CHAIRMAN. Nearly double?

Mr. PALMER. Yes, sir.

Mr. MALBY. They have been farmed for centuries, besides.

The CHAIRMAN. Just as a matter of historical interest, is it not true that the exhaustion of the French people and the neglect of the French soil that was consequent upon the continuous Napoleonic wars, and even those immediately preceding, made it necessary for those people to make a research into scientific agriculture and to

use better methods, generally, in the cultivation of beets, and in everything, in order to make their country agriculturally capable of supporting those armies?

Mr. PALMER. That is not only true as to France, but practically of all Europe; they were all in the dumps.

The CHAIRMAN. War had exhausted the countries and devastated their soils and depopulated their people, and agriculture and everything else except war had gotten to a pretty low ebb?

Mr. PALMER. True.

The CHAIRMAN. And they had to put chemists and every one else to work to bring it out.

Mr. PALMER. It was the Germans that discovered the sugar in the beet and the process of getting it out.

The CHAIRMAN. But Napoleon who applied it?

Mr. PALMER. Yes.

Mr. RAKER. Was this 16,000,000 acres of land put in wheat—beet land?

Mr. PALMER. The beet lands are almost invariably followed by wheat.

Mr. RAKER. Are there any statistics showing whether those were beet lands, according to the reports we have here?

Mr. PALMER. There are no statistics that I have showing as to whether the wheat was restricted to beet land or not.

Mr. RAKER. It might have been by virtue of their improving the method of plowing and cultivating the wheat.

Mr. PALMER. Undoubtedly it was not all because beets had been planted on that particular soil.

Mr. MALBY. But undoubtedly, in the nature of things, beets had been tried out on a portion of it.

Mr. PALMER. Compare the wheat of Kansas with the wheat of Germany. Of course, Germany is not a large wheat-producing country. They produce very much more rye. It is a fact, by the way, that of the five crops—wheat, barley, oats, rye, and potatoes—Europe, outside of Russia—and I deliberately exclude Russia, because Russia is known as the granary of Europe—Europe, outside of Russia, raises more bushels per capita than the United States of those five crops. That was astounding to me.

Mr. MALBY. Per capita?

Mr. PALMER. Yes.

The CHAIRMAN. Per acre, very much more?

Mr. PALMER. Very much more. Germany and Kansas, in 1907, each had five million two hundred and some thousand acres of wheat, just about the same.

Mr. GARRETT. Germany and Kansas?

Mr. PALMER. Yes, sir. Our Kansas farmers harvested 68,000,000 bushels from their 5,200,000 acres; the German farmers harvested 145,000,000 bushels from their 5,200,000 acres.

The CHAIRMAN. Which shows their methods of agriculture are very much better than ours?

Mr. PALMER. Yes; they are.

The CHAIRMAN. That is generally conceded, I believe.

Mr. GARRETT. Of course, as the density of the population increases, the intensity of the cultivation of the soil must increase.

I was very much interested not very long ago, in reading a history of Virginia, to read where a statute was passed making it mandatory on the planters to grow a certain amount of corn, put in a certain acreage of corn; that was in Virginia, in the colonial days.

The CHAIRMAN. You know that was done through the South during the war time.

Mr. GARRETT. I was getting to that; that has been followed in various places. It did not become a permanent thing in Virginia, because there was too much virgin land.

Mr. MALBY. I think it may be stated as a general rule that that failure to raise approximately as much as they do in European countries, of the cereals, is owing to a lack of proper cultivation. I never have heard anyone say that our natural advantages of climate or of soil are inferior to those of southern Europe.

Mr. PALMER. Correct.

Mr. MALBY. But there is a woeful lack of the methods of cultivation.

The CHAIRMAN. Scientific cultivation.

Mr. PALMER. This man George Martineau, that British thinker and sugar man, in his book, after reviewing the beet industry in Europe, says this:

The reader may wonder why the United Kingdom, by far the largest sugar consumer in Europe, is the only European country which produces no sugar even for its own vast consumption. The story which has just been told of the European sugar industry is a sufficient answer. As Mr. Robert Lowe told us years ago, ours is not a paternal Government. With a market for 1,600,000 tons of sugar at our doors, and a good soil and climate, we import it all and read the sugar market report by day under the cheerful heading of "Foreign produce." Germany, in the meantime, with a home demand not much more than half of ours, not only supplies all her own sugar, but has, every year, more than a million tons for exportation, half of which is refined sugar. These are curious facts, of which the general public, and even our rulers, know little and care less.

Mr. RAKER. It seems funny to me that a great many of the people who come here to America do not go to those countries that have the best of America, and live there and stay there. They seem to have the advantage of America on every question; are so superior, that I do not see why they do not go there and do business. It seems that everything that comes up I have heard of lately we do not know how to do it, we do not do it right, we have to go to those other people and get them to tell us how to do it.

(Thereupon, at 5 o'clock p. m. the committee adjourned until Friday, August 4, 1911, at 10 o'clock a. m.)

No. 34

HEARINGS

HELD BEFORE THE

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE
AMERICAN SUGAR REFINING CO. AND OTHERS**

FRIDAY, AUGUST 4, 1911

HOUSE OF REPRESENTATIVES

**WASHINGTON
GOVERNMENT PRINTING OFFICE
1911**

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN
SUGAR REFINING CO.**

HOUSE OF REPRESENTATIVES.

THOMAS W. HARDWICK, *Chairman.*

**FINIS J. GARRETT.
WILLIAM SULZER.
JOHN E. RAKER.
H. M. JACOWAY, JR.**

**GEORGE R. MALBY.
J. W. FORDNEY.
E. H. MADISON.
A. C. HINDS.**

AMERICAN SUGAR REFINING CO.

SPECIAL COMMITTEE ON THE INVESTIGATION
OF THE AMERICAN SUGAR REFINING CO. AND OTHERS,
HOUSE OF REPRESENTATIVES,
Friday, August 4, 1911.

The committee this day met, Hon. Thomas W. Hardwick (chairman) presiding.

The CHAIRMAN. The committee will come to order. Mr. Palmer will you please take the stand.

TESTIMONY OF MR. TRUMAN G. PALMER—Continued.

The CHAIRMAN. Gentlemen, before proceeding with this witness I will put in the record a letter and a table on the world's production of sugar. This is furnished by Mr. W. B. Thomas in response to a request made of him while he was on the stand. I think we have it from another witness, but I think we had better put it in the record in order to see how it compares.

(Said letter and table are as follows:)

THE AMERICAN SUGAR REFINING CO.,
New York, August 2, 1911.

Hon. THOMAS W. HARDWICK,
*Chairman Sugar Investigating Committee,
House Committee Building, Washington, D. C.*

MY DEAR MR. HARDWICK: When upon the stand Mr. Thomas, among other things, was asked by Congressman Sulzer to furnish figures of the production of beet and cane sugar for the world for 10 years past. I notice by the minutes that Mr. Truman G. Palmer has been furnishing figures along this line and apparently for a much longer period than Mr. Thomas was asked to cover. If this be so, it would seem not worth while for Mr. Thomas to duplicate, and unless you write me that the committee still wishes a separate table from Mr. Thomas he will not undertake to furnish this particular scrap of information.

Very truly, yours,

F. L. CRAWFORD.

P. S.—Since writing the foregoing, the inclosed table has been handed to me, and I send it to you on Mr. Thomas's behalf for what it may be worth. If you desire to print it, you are welcome to do so. My impression is that Mr. Palmer's figures have superseded the necessity for it.

World's production of sugar from Willett & Gray's annual estimates.

Dates.	Total cane-sugar crops (W. & G.).	Europe beet-sugar crops (F. O. Licht).	United States beet-sugar crops (W. & G.).	Grand total cane and beet sugar.
1900-1901.....	3,502,390	6,068,994	76,859	9,648,243
1901-2.....	3,850,000	6,710,000	150,000	10,710,000
1902-3.....	3,856,312	5,620,000	195,800	9,672,112
1903-4.....	4,423,800	5,900,000	210,000	10,533,800
1904-5.....	4,630,000	4,685,000	209,000	9,524,000
1905-6.....	4,943,000	6,875,000	285,000	12,103,000
1906-7.....	4,880,500	6,670,000	395,000	11,945,500
1907-8.....	7,233,500	6,575,000	410,000	14,218,500
1908-9.....	7,634,125	6,543,865	384,010	14,562,000
1909-10.....	8,291,587	6,138,000	450,595	14,880,182
1910-11.....	8,522,000	8,057,000	445,000	17,024,000

The CHAIRMAN. Can you tell us what it costs to produce beet sugar in Europe, by countries?

Mr. PALMER. I have gathered some figures on that.

The CHAIRMAN. Have you those figures at hand?

Mr. PALMER. No, I have not. If I had the book that I loaned to the stenographer I could give you a type of factory, as shown by Mr. George Martineau. I can tell you what it was. It was 9 shilling, 6 pence per hundredweight.

The CHAIRMAN. That would be about \$1.80, something like that?

Mr. PALMER. I think about \$1.90.

The CHAIRMAN. Well, if a shilling were 25 cents it would not be but \$1.87½. Nine shillings would be \$1.75 and a half of a shilling would be 12½ more, which would be \$1.87½.

Mr. PALMER. You are wrong, Mr. Chairman. Nine shillings—

The CHAIRMAN (interposing). Would be \$1.75?

Mr. PALMER. Would be \$2.16.

The CHAIRMAN. What is a shilling?

Mr. PALMER. 24 cents.

The CHAIRMAN. It would be less than \$1.87½; it would be something between \$1.80 and \$1.85. Figure it out exactly, please.

Mr. PALMER. It would be \$2.28 in our money for a hundredweight

The CHAIRMAN. It would? How do you figure that? Oh, yes.

Mr. PALMER. Nine times 24—

The CHAIRMAN (interposing). I was figuring all the time by 7. Do you know when that figure was given, for what year?

Mr. PALMER. I think it is the campaign of 1908 and 1909.

The CHAIRMAN. Do you know what the cost is now?

Mr. PALMER. No; I should—

The CHAIRMAN (interposing). How can they sell raws for \$1.88 since the Brussels convention, if that is true?

Mr. PALMER. They are not selling raws at that now.

The CHAIRMAN. They have been doing it since the Brussels convention.

Mr. PALMER. That is true. I gave the average price for 1906 and 1907 by 100 pounds, raw sugar.

The CHAIRMAN. This is 1908 and 1909?

Mr. PALMER. Yes.

The CHAIRMAN. What do you give it for 1908 and 1909?

Mr. PALMER. I have not carried the figures down for that. These are Licht figures, \$1.97.

The CHAIRMAN. That is less than the cost of production. There is already some evidence from a number of economists who give figures that are considerably under your figures. Can you supply the committee with that information, by countries in Europe, so far as you can get it and giving, in each instance, your authority for the statement?

Mr. PALMER. No; I do not think I can. That is one thing that—

The CHAIRMAN (interposing). You have never looked into.

Mr. PALMER. I have looked into it, but not with the thoroughness that I should.

The CHAIRMAN. Well, looking at this question that we are investigating, or one phase of it, even from the standpoint of a protectionist, it is absolutely vital to know what it should cost to produce the raws.

Mr. PALMER. Yes; and I was going to say that as soon as Congress adjourns—

The CHAIRMAN (interposing). You can not supply it right away, but can later on?

Mr. PALMER. I was going to say that as soon as Congress adjourns I am going to Europe, and that is one of the things I am going after.

The CHAIRMAN. You think you could supply the committee with that information by the time we meet in the fall?

Mr. PALMER. Yes, sir.

The CHAIRMAN. Please make a memorandum about it. We have some figures on the matter, but I do not know how reliable they are, and I would like to hear from you in the way of a table, which you understand, of course, is under the sanctity of this oath, as to the cost of beet sugar in Europe by countries, taking, of course, only the principal countries.

Mr. MALBY. May I add that in giving us the aggregate cost he give the details which enter into the final results?

The CHAIRMAN. Yes; I presume that is the way he will do it. In other words, show us how you arrive at the figures.

Mr. PALMER. Yes. I want to say this—

Mr. MALBY (interposing). By that I mean the cost or value of the lands and the cost of cultivation, and so forth—everything, as a matter of fact.

The CHAIRMAN. I do not mean to have him give the price of lands in the table I have asked for. You know what I want in my table. Of course, Mr. Malby can ask for any other information that he desires, but in the table I asked for please do not put that in. I wish you to take the cost of raw beets and the cost of manufacturing, ready for delivery.

Mr. HINDS. Is it not a fact that in Germany a beet-sugar factory is often managed through an estate, and that a chemical laboratory on German soils is a part of the machinery of the estate?

Mr. PALMER. Yes. You have three general classes, you might say, of factories over there. You have a large estate which has a beet-sugar factory as an annex and then you have the cooperative factories, and then you have the factories which are largely like our factories, where they buy all their beets.

Mr. HINDS. I remember a consular report from Magdeburg, I think, within the last three months, which describes one of these factories on an estate, and they describe the factory, I think, if I remember correctly, as a part of the machinery of the estate?

The CHAIRMAN. Of course, there are both classes of factories, those that raise their own beets and those that buy, and you might give these figures on both.

Mr. PALMER. And the cooperative factories.

The CHAIRMAN. And those that work with the factories; giving the percentage of their profits, as it were. The reason I want the table I asked for is that I want to see if I am right, because you represent the beet people, and you know, as I understand it, that the American figures are based on the market prices that they pay for the sugar beets?

Mr. PALMER. Yes, sir.

The CHAIRMAN. And the cost of manufacturing added. Therefore I want the European table made in exactly the same way for the pur-

pose of accurate comparison; and that is the only way I think it will be accurate.

Mr. PALMER. I want to say this: I hope when I get the figures, except in cases where the figures are printed or where I have permission to use them publicly, that you will not ask me for names.

The CHAIRMAN. I will say this to you: Of course we will not ask any gentleman to violate any personal obligation he had to incur in getting the information. If you run on a man who prefers that you do not use his name, then you can just simply give us the facts in a private letter that will not be made known or published in the record. That will be the fairest way. You can write us, for instance, as to any information that you do not want made public.

Mr. PALMER. Because I have taken good care not to close the doors to me over there.

The CHAIRMAN. Of course the committee will protect you in that attitude, but in justice to yourself I think you ought to give the committee the sources of your information, even if they are not made public. Do you know what it costs to produce cane sugar in Java?

Mr. PALMER. No, sir. I quoted Prinsen-Geerligs in 1908, and after I quoted from my notes on the interview with him, and after the testimony appeared, I sent the testimony, not only to Mr. Geerligs, but to every person that I had quoted, asking them to correct any errors I might have fallen into, and I have a letter from Mr. Geerligs in which he says that I quoted him absolutely.

The CHAIRMAN. You can put that in with your testimony if you want, but the statement you have made I think will answer the same service.

Mr. PALMER. He says on that point, "At one and one-half cents per pound Java can make 40 per cent profit, and the Philippines can do much better with modern methods."

The CHAIRMAN. You agree to that, then; you think that is right?

Mr. PALMER. Well, he is the best authority in the world.

The CHAIRMAN. I just wanted to see whether you thought that was good authority.

Mr. PALMER. I think that is good authority. But I want to interview Mr. Geerligs again for this reason: He has since put out another statement or estimate which calls for a higher cost of production.

The CHAIRMAN. One dollar and sixty something, is it not?

Mr. PALMER. I do not remember. I want to ask Mr. Geerligs concerning those figures.

The CHAIRMAN. Is that already in the record?

Mr. PALMER. No, sir.

The CHAIRMAN. Well, put that in right there, what he says about the Philippines and Java.

Mr. PALMER. I read that just now.

The CHAIRMAN. You did put that in?

Mr. PALMER. Yes. It was that "at 1½ cents per pound Java can make 40 per cent profit, and the Philippines can do much better with modern methods."

The CHAIRMAN. Can you tell us about the cost of producing sugar in Cuba?

Mr. PALMER. No, sir.

The CHAIRMAN. We tried to get that out of these Louisiana gentlemen, but they did not seem to know and could not tell us.

Mr. PALMER. The cost varies greatly in Cuba. They have some enormous mills which are said to be producing sugar at a cost as low as a cent and a quarter, and I have heard it stated even less.

The CHAIRMAN. Could you give us any rough estimate?

Mr. PALMER. A cent and a half is my estimate.

The CHAIRMAN. Your estimate is a cent and a half in Cuba?

Mr. PALMER. For the average, taking all mills.

Mr. MALBY. Did you give the aggregate cost of production in Java?

Mr. PALMER. I quoted from what Mr. Prinsen-Geerlings told me in 1908.

Mr. MALBY. I think in order to have it of any value to the committee we should know something of the conditions and of the cost of labor there. My information is that the Java laborer in the sugar fields is in a semislavery condition, and if that information is correct the committee should know it.

Mr. PALMER. It is impressed labor, and I will read you what he told me.

Mr. MALBY. Did you give the cost anywhere except in Java?

Mr. PALMER. Well, you have just asked me——

Mr. MALBY (interposing). I know. Explain the labor conditions in Java as far as you can.

Mr. PALMER. I will do that.

Mr. MALBY. Are you quoting from the same authority?

Mr. PALMER. Exactly. I am quoting from the notes which I made after my interview and which notes have been passed upon by Mr. Geerlings as being correct. He said:

They (the 177 Javan sugar planters, whose estates last year produced 1,210,197 tons of sugar) are all independent financially, but are all members of the Sugar Planters' Association and work together. Practically all of them live in Holland. They have all made money, but the people of the islands are just as poor as ever—30,000,000 natives, 60,000 Hollanders and half-castes. Thirty thousand Dutch and native soldiers in all the Dutch possessions. Wage rate: Men, 6d.; women, 2½d.; boys, 2d. per day. Women and boys do only light work. Abundance of people. When planters want laborers they send criers through the towns and get all they want. Pay off every few days, and natives spend their money quickly. The country was occupied 1,200 years ago, but was given up later on. Ruins of most beautiful palaces are still there, but the natives deteriorated as soon as left to themselves. Every inch of ground now cultivated. One who had not been there in 10 years would not recognize it. Far more generally cultivated than Holland and Belgium, yet believes that if left to themselves for 10 years only rusty railroad tracks and ruins would indicate that civilization had ever been there. The Filipinos are practically the same race of people. Holland can not colonize Java; can merely hold it. The soil is very poor; far inferior to that of the Philippines, which is exceedingly rich. Largely by fertilization have doubled the sugar crop without greatly increasing the acreage. Use much ammonia and oil cake. Without any tariff favors Philippines can compete with the world in sugar production. In no event will the building up of the sugar industry benefit the people of the Philippines. The money will all go to absentee people of wealth. Java enjoys no tariff concessions and asks for none. She has driven European sugar out of China, largely out of India, and partly out of Persia. At 1½ cents per pound Java can make 40 per cent profit, and the Philippines can do much better with modern methods. Fears large production in Formosa. Java has good climate for sugar—always warm, but soil is very poor. Parties wanted him to go into a sugar enterprise in Porto Rico, but he declined, for reason that we had not settled Philippine matters, and that if we encouraged Philippines they would eventually ruin Porto Rican sugar industry, as well as home beet and cane and Hawaii.

Mr. MALBY. Now, that is interesting as bearing upon the cost of production, but have you anything there or elsewhere relative to labor conditions in the Philippines? He incidentally remarks that

labor conditions in the Philippines are as advantageous as they are in Java, but does he elaborate on it in any way?

Mr. PALMER. No; he did not.

Mr. MALBY. Or have you any personal or general information in relation to the labor conditions in the sugar fields of the Philippines?

Mr. PALMER. I have recently reviewed a book published by the Philippine Government, a copy prepared by a sugar expert named Walker, whom the Philippine Government sent down to the island of Negros, with a portable laboratory, to stay on the island all through a sugar campaign, and ascertain what the cost of production was. I am sorry I can not put my hands on it, but I can tell you in a general way.

Mr. MALBY. Well, proceed so far as you can, with the information which you recall.

Mr. PALMER. Mr. Walker gave the average cost of labor on the sugar estates on the island of Negros at $12\frac{1}{2}$ cents per day in cash and $7\frac{1}{2}$ cents per day in provender, in food.

Mr. MALBY. They got then, 19 cents?

Mr. PALMER. 20 cents.

Mr. MALBY. $12\frac{1}{2}$ and $7\frac{1}{2}$?

Mr. PALMER. $12\frac{1}{2}$ and $7\frac{1}{2}$; 20 cents per day. Analyzing his figures, the cost of sugar in the sack at the mill is $55\frac{1}{2}$ cents per 100 pounds, but that does not include depreciation, nor does it include, as he states later, advances to workmen who run away before their advances are paid up and various items of that kind, the transportation or cost to Iloilo, which brings the sugar out at Iloilo at a cost of 75 cents per 100 pounds, without, as I say, these general——

Mr. MALBY (interposing). Is that a place of export or the railway connection?

Mr. PALMER. Iloilo is a place of export. They have to send their sugar by bull carts to the coast and then on these little lorchas, as they call them, sailing vessels, which take them around to Iloilo, which is on another island.

Mr. MALBY. That is sugar that is manufactured from cane?

Mr. PALMER. Yes, sir.

Mr. MALBY. Now, the island to which you refer is one of the Philippine Islands, and is it the one most thought to be best adapted to the raising of cane?

Mr. PALMER. It is the island on which cane is most extensively raised, but experts believe that other islands are equally as advantageous as Negros.

Mr. MALBY. Does that price take in the interest on the lands themselves or is it——

Mr. PALMER (interposing). No, sir.

Mr. MALBY. Or is there any allowance for depreciation of the plantation or of the manufacturing plant or for repairs, or is it the bare cost of labor to produce a 100 pounds of sugar?

Mr. PALMER. It is the bare cost of labor and supplies.

Mr. MALBY. Well, "supplies" are represented by the $7\frac{1}{2}$ cents, are they, or are they not?

Mr. PALMER. No.

Mr. MALBY. What do you mean by "supplies"?

Mr. PALMER. I mean their firewood, I mean their bags, I mean their lime, I mean their oil; everything that goes into the manufacture of sugar.

Mr. SULZER. In that connection, just an inquiry. Is this 20 cents in American money or Filipino money?

Mr. PALMER. American money. It would not be fair to say that the Filipinos can get out whole to-day, with their present methods, at 55½ cents for their sugar at the mill, because, as I say, it includes no depreciation, it includes no repairs, but, of course, the repairs are slight.

Mr. MALBY. And it does not include any interest on their manufacturing establishments?

Mr. PALMER. No, sir.

Mr. MALBY. Their machinery costs substantially what it would in Germany, I take it, and not so much as it would in the United States? Well, I do not mean Germany, because they do not raise cane there, but I will say Cuba. In other words, where do they buy their machinery? That is what I have in mind.

Mr. PALMER. Well, nearly all of their machinery is made in Scotland, and the average cost—as stated by Americans who have been through the industry there—of a sugar mill is about \$1,500; they have some that cost more, but on the whole island of Negros there is not a weighing scale; there is not a polariscope; there has been no scientific work done there whatever; they plow very shallow; they do not cut to exceed a quarter to a half a crop of cane; where they have gone in with Buffalo pit steam plows they have gotten a large yield of cane after plowing the ground several times with their Chinese plows and failing to get a crop at all; and the average loss, as stated by Walker, in the extraction of the juice from that small yield is over 40 per cent; they get out but 60 per cent of the sugar that is in the cane, and they average to lose from 15 per cent to 25 per cent of that sugar in the boiling—boiling it down and caramelizing it.

Mr. MALBY. Will you tell the committee how it is possible then to raise or produce 100 pounds of sugar at a cost of 55 cents, or pretty nearly a half a cent a pound?

Mr. PALMER. It is the low wage rate, and of course that is a low grade of sugar, too.

Mr. MALBY. Tell us about the grade of sugar. What grade is it?

Mr. PALMER. It is about 84 degrees.

Mr. MALBY. I do not see that the cost, as you give it, and confining it as you have to the mere act of production, is going to be of very much value to the committee unless we know the value of the lands, the deterioration of the machinery, and whatever other expenses naturally and ordinarily enter into their cost price of production, because if you leave out so many things there is not much left as to accuracy, except what it costs them to produce 100 pounds of sugar on the plantation. However, it is interesting to know what they pay and how they cultivate their soil and the fact that they have a cheap contrivance of some sort, of the value of \$1,500, to produce sugar. We have been led to believe, from the testimony of our friends from Louisiana, that to build a cane mill it would cost from \$350,000 to \$500,000.

Mr. PALMER. That is quite true; but they do not have any such mills.

Mr. MALBY. To know how the Filipino gets it for \$1,500 would be interesting to the committee if not instructive.

Mr. PALMER. Why, Judge, that is a little bit of a two or three roller mill, upright rollers, oftentimes run by bull power, sometimes by water, and sometimes by steam. If it is run by bull power, there is a sweep going around and a little Filipino feeds the cane, one stick at a time, and if he puts in two sticks, it will stop the bull. It is the most primitive thing in the world. Of course, you know that a modern mill is going into the Philippines on the Island of Mindoro?

Mr. MALBY. Well, I have heard that there was some such thing in contemplation. Is that where they have the friar lands?

Mr. PALMER. Yes, sir.

Mr. HINDS. Who are putting that mill in?

Mr. PALMER. Mr. Horace Havemeyer, Mr. Charles J. Welch, and Mr. Senff.

Mr. HINDS. Of the Sugar Trust? That is, Mr. Senff was formerly a member of the American Sugar Refining Co.?

Mr. PALMER. Mr. Senff was formerly the vice president of the American Sugar Refining Co. and Mr. Havemeyer is the son of Mr. H. O. Havemeyer. They have no connection, as I understand it, with the Sugar Refining Co. now.

Mr. MALBY. Have you any knowledge or information in relation to the labor conditions in Hawaii?

Mr. PALMER. I had sometime ago; I have not prepared anything for this committee.

Mr. MALBY. Well, I desire to call your attention to the fourth report of the commissioner of labor of Hawaii, 1910, made pursuant to "An act to provide a government for the Territory of Hawaii," approved April 30, 1900. This is an official governmental report, which reads as follows, page 99 thereof:

Meantime a bona fide effort is being made by the Territorial government, backed by the large employing interests, to settle a larger proportion of Caucasian workers and settlers in Hawaii. It is doubtful if any large industry upon the mainland has in the past been willing to disregard the economic demand for cheap labor, in consideration of what are at least partly civic motives in securing more costly labor, to the same extent as have the Hawaiian planters. They are willing without reserve to employ all the Caucasian workers the government can bring to the islands, at a wage one-third larger than they pay for nearly as efficient labor brought from Asia.

Little progress has been made in settling American farmers in Hawaii. Recent changes in the land laws may remedy this to some extent. The Territory has now under consideration a public-marketing department to handle produce and promote markets for small farmers.

Does this statement accord with such information as you have on this subject?

Mr. PALMER. Yes, sir, in a way. I have been opposed to allowing planters to bring in labor contrary to our labor laws and produce sugar in Hawaii in competition with sugar in this country.

Mr. MALBY. Well, at that point, is it contrary to the laws of the Hawaiian government?

Mr. PALMER. I take it so, for the season that several years ago they tried to get through a special act of our Congress. The bill was introduced by Mr. Hayes, of California, and they now have another bill pending. I know of no reason why they should require those bills unless the labor laws extended around Hawaii.

Mr. MALBY. Mr. Balou says that the Territorial government of Hawaii have the right to appropriate moneys for the purpose of bringing to the islands white or Caucasian labor, but that the law now pro-

vides that the planter is not privileged to contribute to that fund; so that whatever efforts are being made are necessarily confined to the government itself, and that that is substantially our own immigration law, and further, that the immigration laws of Hawaii are exactly the same as those of the United States. Do you understand it in that way?

Mr. PALMER. I understand it in that way, except in so far as a general understanding was had between this Government and the Japanese Government under which Japan agreed not to issue passports to Japanese labor to come to continental United States, but that did not include Hawaii; that they could send as many as they liked to Hawaii. I know that exception was made in the understanding at that time.

Mr. MALBY. Well, what I want to call your attention to in particular, in reference to that statement, is that there is on the part of the Government of Hawaii a bona fide effort being made to secure Caucasian labor, and that the planters themselves are willing, as the report says, to grant a wage increase of one-third for such labor, notwithstanding the fact that they derive per man very little more labor than from the present class of laborers. That is the substance of that statement.

Mr. PALMER. Yes; but——

Mr. MALBY (interposing). Now, do you understand that to be the fact, because that would seem to indicate, if true, a bona fide effort on their part to secure other labor than Japanese labor or Asiatic labor.

Mr. PALMER. But the State of Louisiana, a few years ago, attempted to do the same thing.

Mr. MALBY. Well, do you understand—so that we may complete this record—that they are doing that thing in Hawaii? Are they making those efforts to secure Caucasian labor and is that your information?

Mr. PALMER. I understand that they are not allowed to make efforts to bring in Caucasian labor.

Mr. MALBY. Well, the Government is; I speak only of the Government.

Mr. PALMER. Well, I am speaking of the Government. I think the Government has no more right than any State or Territory in continental United States. I think that is an error, but I am not certain.

Mr. MALBY. Well, that is the official report.

Mr. PALMER. Well, they may try to get in labor——

Mr. MALBY (interposing). I had an idea that every State had the right to assist in bringing in immigrants for the development of their State under the present laws.

Mr. PALMER. No, sir. They have no right to guarantee them work and no right to pay their expenses. The State of Louisiana tried it and the Attorney General ruled against that State. The State of Georgia tried it; they sent a man to Norway, paying his expenses, to work up immigration from Norway, an especially good class of immigration, and——

Mr. MALBY (interposing). But the State of North Carolina did try it and with success, and I know that the State of New York has a department, in its labor department, which, at least, deals with the immigrants when they arrive.

Mr. PALMER. Oh, yes.

Mr. MALBY. Whether they are permitted to import them I would not say without further investigation. I read from page 51 of the labor report, to which I have already called your attention, as follows:

The history of immigration to Hawaii was given in some detail in the report of 1902. Chinese, Japanese, Korean, Polynesian, Portuguese, Italian, German, Norwegian, Porto Rican, and American negro labor had been imported under contract, or encouraged by public assistance to come to Hawaii, prior to its annexation to the United States. The main fact of the past five years affecting immigration and labor supply has been the agreement between the United States and Japan, under which the Japanese Government no longer issues passports to any of its subjects of the laboring class destined to continental United States or Hawaii. This has not entirely cut off Japanese immigration to Hawaii, for it does not affect students, merchants, and professional men, of whom there is a colony of some size in the Territory; nor does it exclude "parents, wives, or children of residents" already established in the islands. But the new regulation has effectively and definitely stopped the influx of Japanese plantation labor.

Mr. PALMER. That order may have been modified.

Mr. MALBY. So that we now have, according to this report, which I assume is correct, the same conditions as to immigrating to Hawaii that we have to continental United States. Of course the condition which already existed there can not very well be changed, and it is against that condition, as I am informed through this report, that our Government is, or the Hawaiian Government is making the effort, to which I have already called your attention, to secure the settlement of people belonging to the Caucasian race. The inquiry I desired to make was directed toward the fact that they were making that effort.

Mr. PALMER. Endeavoring to get an act of Congress permitting them so to do.

Mr. MALBY. I think the bill introduced by Congressman Hayes, of California, to which you have referred, although I have not examined it—

Mr. PALMER (interposing). That bill was defeated; that was, I think, about three years ago. This is a new bill.

Mr. MALBY. Does that bill go any further than to authorize the private citizens to contribute toward the fund of encouraging Caucasian immigration; does it go any further than that?

Mr. PALMER. I looked it over at the time, but would not dare state from memory. My opinion of it was this: That if passed there would be no reason why the Hawaiian sugar planters should not contribute to that fund and scour the slums of Europe, if they so desired, or any other Caucasian country, and bring in whatever class of Caucasian labor they saw fit. And inasmuch as they are engaged wholly in a competitive production, where the average production per acre is from 4 to 5 tons of sugar and has been as high as 11 tons on certain islands, as against a little over 1 ton in this country, and where we pay several times what their wage rate is to-day, I think it an unfair proposition, and at the time Mr. Hayes's bill was up I did what little I could to defeat it.

Mr. MALBY. Well, that would not make conditions any worse than they are now, would it?

Mr. PALMER. Perhaps not; but the point is: The Hawaiian sugar planters have had to raise their wage rate from time to time, and they will have to continue to raise that wage rate if they do not get any labor, especially if they increase their production, and I do not think this Government should encourage those planters to bring in cheap

labor when the wage rate is so much lower than it is in this country. I think it is unfair to the producers in continental United States.

Mr. MALBY. Well, without arguing, because I am not arguing it, I am trying to find out what the fact is with reference to a bona fide effort on their part to substitute Caucasian labor for the existing labor. They are making an effort in that direction, and if the present criticism, that they are using Japanese, Hindu, and Chinese labor, is valid—if there be anything in that criticism—they should be permitted and encouraged, it would seem to me, to substitute for that labor something that would be subject to less criticism.

Mr. PALMER. I do not think, Mr. Malby, if you will read the history of Hawaiian sugar production, that you will come to the conclusion that the primary purpose of the sugar planters of Hawaii is to substitute Caucasian for Asiatic labor. The primary purpose is to keep down the wage rate, and the Caucasian labor is an incident.

Mr. MALBY. I get your view about it. I think that is all I have in mind.

Mr. SULZER. How large is this sugar mill that is to be erected in the Philippine Islands? In other words, what is its capacity?

Mr. PALMER. I think either Mr. Havemeyer's or Mr. Welch's testimony showed that it was to cost a million dollars, which would give it a capacity of somewhere from 1,500 to 2,000 tons of cane a day, perhaps more.

Mr. SULZER. Will the mill make refined sugar?

Mr. PALMER. I judge not.

Mr. SULZER. Just raw sugar?

Mr. PALMER. Yes, sir.

Mr. SULZER. And that raw sugar, of course, will be exported from the Philippines or will it be refined in the Philippines?

Mr. PALMER. No; there is no refinery in the Philippines, except a little plant that has been out of commission a great many years.

Mr. SULZER. Do you believe from your investigations that raw sugar can be produced in the Philippines as cheaply as any place in the world?

Mr. PALMER. I do; more cheaply.

Mr. SULZER. And the soil of the Philippines is peculiarly adapted for the growth of sugar cane?

Mr. PALMER. Both the soil and the climate.

Mr. SULZER. In your opinion, there is no danger in the supply of raw sugar not keeping pace with the increase of population?

Mr. PALMER. None whatever. Of course, if you would take out of commission 1,000,000 tons of sugar all at once for several years, the price of sugar would be higher, but it would only be for a few years.

Mr. SULZER. Are they raising more sugar cane in Louisiana now than previously, or is the supply in Louisiana just about the same as it has been for the past 10 years?

Mr. PALMER. It has not increased materially.

Mr. SULZER. The supply, however, in Cuba has increased materially during the past few years?

Mr. PALMER. Enormously.

Mr. SULZER. And the supply in Porto Rico?

Mr. PALMER. Yes, sir.

Mr. SULZER. And in Santo Domingo?

Mr. PALMER. Appreciably.

Mr. SULZER. The supply in the Philippines has also increased materially in the past few years?

Mr. PALMER. Not to a very great extent. They are beginning to increase now since the Payne Act, allowing 300,000 tons to come in here free of duty, was passed.

Mr. SULZER. Why would it not be a good thing for the people to have sugar refined in the Philippines and in the Hawaiian Islands, Cuba, and Porto Rico?

Mr. PALMER. It has not been found practicable in the past. Their sugar deteriorates, and they desire to get it out of that tropical climate as soon as they can; it deteriorates more rapidly there than it does in a milder and drier climate.

Mr. SULZER. That is, raw sugar?

Mr. PALMER. Yes, sir.

Mr. SULZER. But if they had factories in these islands to refine raw sugar they could do it just as cheaply, if not cheaper, than they can refine sugars in this country, could they not?

Mr. PALMER. There would be a cheaper wage rate. But you take, for instance, the sugar industry of Java, which, perhaps, is as scientifically worked as any industry in the world, and it is run wholly by Dutch planters who live in Holland and who have an abundance of wealth and who have a comparatively high wage rate at home, in Holland, as compared with Java, and yet there are no refineries in Java. They are producing some washed sugars in Java that are finding a direct market.

Mr. SULZER. I understood you to say that there are no restrictions upon sugar in any way raised in Java, no restrictions as to exporting?

Mr. PALMER. No; you mean export duties?

Mr. SULZER. Yes.

Mr. PALMER. I understand not.

Mr. SULZER. Now, just what kind of sugar do they raise in Java?

Mr. PALMER. The bulk of it is a 96° sugar, the same as the Cuban and Porto Rican sugars. I had some samples here the other day.

Mr. SULZER. Raw sugar?

Mr. PALMER. Yes, sir.

Mr. SULZER. And it is just about the same as the raw sugar produced from cane in the West Indies and in the East Indies?

Mr. PALMER. Yes, sir.

Mr. SULZER. And that raw sugar is exported from Java principally to Hamburg, is it not?

Mr. PALMER. No, sir; I doubt if any of it goes to Hamburg.

Mr. SULZER. Where does it go?

Mr. PALMER. It goes to Persia, China, a little of it to India, some to Japan, and considerable of it to the United Kingdom, and in times gone by we have taken a good deal of Javan sugar.

Mr. SULZER. And it is refined in those countries?

Mr. PALMER. Yes, sir.

Mr. SULZER. Do they refine into granulated, the same as we do in this country?

Mr. PALMER. It entirely depends on what the market demands.

Mr. SULZER. They have dark sugars in those countries as well as the fine white sugar?

Mr. PALMER. Yes, sir.

Mr. SULZER. Would it not be a good idea for the people in this country to be able to buy dark sugar as well as these highly refined granulated sugars?

Mr. PALMER. They can. We are producing in Louisiana and in Hawaii and also in Porto Rico something over a million tons a year of sugar that is duty free, and if our people want a washed sugar, they are not deprived from getting it. They can get all they want.

Mr. SULZER. In your opinion, would it not be a good thing if Congress would remove the Dutch standard?

Mr. PALMER. No, sir.

Mr. SULZER. Why not?

Mr. PALMER. For several reasons. Years ago the Scotch refiners had a process of bleaching sugar whereby they could make a 96° or 97°—and I have understood even lower—pure white sugar, and the consumer would have no way of telling how much of it was sucrose and how much impurities; also the Dutch standard, under the present tariff law, is of inestimable value to the appraisers in our ports in determining what duty sugar shall pay.

The term "refining" is an indefinite one. If you say that refining includes the use of bone black, that these processes must have bone black in order to be considered as "refining processes," then the beautiful sugars that I have shown you, as turned out by our beet-sugar factories would not be considered refined sugars, and if such sugars came in from abroad and had not gone through any bone-black process they would pay a rate of duty as applied to raw sugars rather than refined, and if you take another definition of refining and say that it does not necessarily include bone black but a certain number of boilings, you would have to trace the sugar to its origin and determine how many boilings it had had, and if you determined that it means sugar like cane sugar that goes through two processes—is made raw and then remelted and refined—still these white-beet sugars would not come under the classification of "refined sugars," because with beet sugar it is one continuous process; it is only 18 to 24 hours from the time we put the beets in at one end of the factory until the white refined sugar comes out in the sack at the other end. That is as long as it takes it to come from the beets to the sack and be loaded on the train. I think to remove the Dutch standard of color and leave the balance of our tariff schedule as it is would throw our customhouses into absolute confusion.

Mr. SULZER. Well, in that connection, leaving out the tariff entirely, do you or do you not think it would be a good thing to have these colored sugars, or lower grade sugars, coming into the United States from Cuba, Hawaii, Porto Rico, and the Philippines?

Mr. PALMER. Under present regulations that depends upon the market. As I say, there are a million tons of domestic and insular sugar that can be washed and put on the market direct without going through the process of refining. It pays no duty, and if our people wanted that kind of sugar it does not require a change in the tariff in order to get it.

Mr. SULZER. Years ago, when you and I were boys, our mothers used to use a great deal of that kind of sugar, did they not?

Mr. PALMER. Yes, sir.

Mr. SULZER. And it was good healthy sugar?

Mr. PALMER. Yes, sir.

Mr. SULZER. And just as much saccharine matter in it as in the white?

Mr. PALMER. No, sir.

Mr. SULZER. What is the difference in the saccharine matter, between the ordinary brown sugar, so-called, and the high-grade granulated sugars?

Mr. PALMER. All the way from $1\frac{1}{2}$ per cent to 3 or 4 per cent.

Mr. SULZER. That is very little, is it not?

Mr. PALMER. Well, it is from $1\frac{1}{2}$ per cent to 3 or 4 per cent.

Mr. SULZER. There is so little difference that it makes very little difference as far as the effect upon life is concerned?

Mr. PALMER. Of course, it is not as pure and cleanly a product as the refined sugar.

Mr. SULZER. Well, it is just as sweet?

Mr. PALMER. Well, it is 94 to 95 per cent as sweet.

Mr. SULZER. As far as the ordinary human being is concerned these sugars would do them as much good as the higher grade sugars?

Mr. PALMER. If you ate sugar out of a cheese box, as I did, when I was a boy——

Mr. SULZER (interposing). I did.

Mr. PALMER. Yellow sugar.

Mr. SULZER. I was fond of it.

Mr. PALMER. And I remember that cheese box was painted red.

Mr. SULZER. I know all about it.

Mr. PALMER. It seemed to me the sweetest stuff I ever ate.

Mr. MALBY. Things tasted differently then, did they not?

Mr. PALMER. And it got into lumps, and that was an advantage, because I could take out more of it. It tastes sweet and it is sweet, and it has a flavor which refined sugar has not; there is no flavor to refined sugar; there is no odor to it. The odor to raw cane sugar is delicious. Why, it is a meal in itself to smell it. But when you take a given quantity of that raw sugar, for instance, to sweeten your coffee—though that will not be as good an illustration as to say that if a fruit-preserving house or a confectionery house was using raw sugar they would not get the amount of sweetening power out of 100 pounds of that sugar that they would out of 100 pounds of refined sugar.

Mr. SULZER. However, there would be very little difference in the sweetening power?

Mr. PALMER. Four per cent.

Mr. SULZER. Not as much as that?

Mr. PALMER. One and one-half per cent to three or four per cent.

Mr. SULZER. But these lower-grade sugars, which are practically just as good, so far as the people are concerned, would be marketed in this country to the consumers very much cheaper than these high-grade refined sugars, would they not?

Mr. PALMER. I presume that our Louisiana people have tried to market their product direct and they only succeeded in marketing a comparatively small portion of it. There is no reason why the Hawaiian planters should not market their sugar direct if there is a demand for it, and if they make money by so doing.

Mr. HINDS. And Porto Rico the same?

Mr. PALMER. Yes.

Mr. HINDS. And the Philippines the same?

Mr. PALMER. Up to 300,000 tons.

Mr. SULZER. What, in your opinion, has caused the great demand for high-grade white sugars, like granulated sugars, and discarding the lower-grade brown sugars?

Mr. PALMER. That is rather hard to say. That demand is not local, however; that demand is universal in progressive nations. You do not find these lower-grade sugars consumed in large nations.

Mr. SULZER. Has it been a process of education inaugurated by the sugar refiners?

Mr. PALMER. I do not think so.

Mr. SULZER. My colleague, Mr. Hinds, suggests that I ask you, What was the price of these brown sugars when you were a boy?

Mr. PALMER. I could not tell you. They were much higher than the refined sugars are to-day.

Mr. MALBY. Well, as compared with refined sugars at that time, the difference was a good deal greater, which might account for its consumption to the exclusion of the refined?

Mr. PALMER. I can not tell you from recollection of my boyhood days, but from the Government publications, showing the prices of raw and refined sugars, I know that the difference in price has been like an inverted cone, they are coming closer and closer together. The price many years ago was several cents a pound different.

Mr. HINDS. That was the recollection I had, that brown sugar was used because they could not afford the granulated, and when granulated cheapened they threw aside the brown sugar, but that is only an impression.

Mr. SULZER. Well, that is my impression, too. I wanted Mr. Palmer to tell us about it, if he knew of his own knowledge, because he is testifying here as an expert.

Mr. PALMER. I want the record to show that I am testifying as a student of sugar.

Mr. SULZER. I wish we all knew as much about the manufacturing and raising of sugars as you do. Now, there is another question I want to ask you along this line of inquiry: Do you think the elimination of the differential will be a good thing, especially for the consumers?

Mr. PALMER. Well, what might be a good thing for the consumer, might not be a good thing for the sugar manufacturer.

Mr. SULZER. Well, I am glad to have you say that. Now, would the elimination of the differential be a good thing for the consumer?

Mr. PALMER. If it had any effect whatever it would be a good thing for the consumer. It certainly would not tend to raise the price of sugar to eliminate the differential.

Mr. SULZER. Do you think it would be a good thing for the consumers of sugars in this country if the Government would wipe out all restrictions on the importation of sugars?

Mr. PALMER. I think it would be, economically, the most disastrous move that could be made in the matter of material wealth of the country.

Mr. SULZER. Even if the Government could raise the necessary revenue it now gets from sugar from some other source with equal facility?

Mr. PALMER. Yes.

Mr. SULZER. You think it would be a bad thing to remove the tariff?

Mr. PALMER. Absolutely. I think, Mr. Sulzer, you were not here when I called your attention to the fact, or the attention of the committee to the fact, of certain experiments made in Germany which showed that by rotating their crops once in four years with sugar beets they secured a greatly increased yield, 24 per cent in wheat, 46 per cent in oats, and corresponding increases in other crops, and I worked it out to see what that would mean to the American people if we produced our sugar and succeeded in securing the same ratio of increase, and it would amount to more than \$1,400,000,000 in the receipts of our farmers, taking the farm value of their products.

Mr. SULZER. You went into that very carefully in your previous testimony?

Mr. PALMER. Yes, sir.

Mr. SULZER. Now, tell us, Mr. Palmer, in your own way, what recommendation you would make to Congress along the lines of beneficial legislation for the people in connection with sugar.

Mr. PALMER. Not having discovered that our people were suffering, and finding that we are paying less per pound for sugar than are the 300,000,000 people of Europe, outside of Great Britain, I had not figured out anything on that line that you speak of. It costs our people less money per pound for sugar than it does people throughout Europe. Sugar is one of the few products that has not increased in price in the last 10 to 20 years, while everything else has gone up anywhere from 25 to 40 and 50 per cent. I believe the average is said to be about 40 per cent on food products.

Mr. SULZER. Fifty-one per cent.

Mr. PALMER. Fifty-one per cent.

Mr. HINDS. Mr. Chairman, right there will you ask him whether or not the price of sugar has lowered in this country corresponding to an apparent lowering on the other side?

Mr. SULZER. At the suggestion of Mr. Hinds, will you tell us if refined sugars in this country have kept pace with the price of refined sugars in continental Europe?

Mr. PALMER. Barring one thing, they have more than kept pace. You are speaking, now, of price to the consumer?

Mr. SULZER. Yes.

Mr. PALMER. With the abolition of the bounties of Europe, in September, 1903, the European countries having no further drain on them to pay in export bounties reduced the internal taxation, the excise tax, on sugar, very materially, and that brought about a material and almost an immediate reduction on the retail price of sugar in Europe. We have had no such precipitate drop as that.

Mr. MALBY. Because we had no bounty to repeal.

Mr. PALMER. No, we had no such circumstance to bring it about. But the declining price of sugar has kept pace in this country with the declining price in Europe, and to-day, with all of their great decrease, commencing in 1904, their sugars in practically all countries over there—and I think all of them except Great Britain—are higher than they are here.

Mr. SULZER. And that is on account of the local tax?

Mr. PALMER. Yes, sir.

Mr. SULZER. There being no local tax in the United States?

Mr. PALMER. Yes, sir.

Mr. SULZER. And the only reason that sugars are sold cheaper in Great Britain than in the United States is on account of our tariff?

Mr. PALMER. Yes; our tariff is higher than the British tariff.

Mr. SULZER. There is no tariff on sugars in Great Britain?

Mr. PALMER. One shilling, ten, per hundredweight.

Mr. SULZER. Is that the present tariff?

Mr. PALMER. That is the tariff on their highest grade of sugar. It is graduated much as ours is. It is 39.3 cents per hundred pounds.

Mr. HINDS. Against \$1.35 for most of ours?

Mr. PALMER. Yes, sir.

Mr. HINDS. That would be about a cent more our tariff is than theirs?

Mr. PALMER. Yes. And our sugar is about a cent more per pound than it is there.

Mr. HINDS. Ours is a cent and a half on an average, is it not—or is it, to the consumer, at least?

Mr. PALMER. To the consumer; yes, sir.

Mr. HINDS. You are speaking of the——

Mr. PALMER. Of the wholesale price.

Mr. HINDS. It is about a cent wholesale, is it?

Mr. PALMER. Yes, sir.

Mr. HINDS. But the price to the consumer in this country is from a cent and a half to 2 cents higher than in England, is it not?

Mr. PALMER. I think it is about a cent and a half.

Mr. HINDS. Why is that greater cost of distribution in this country than in England?

Mr. PALMER. I do not know why it should be higher, except from the fact that they have so many cooperative stores.

Mr. HINDS. Is there anything in this, that England is a very condensed, so to speak, contracted country, with a great population in a small area, while we are an immense country in area with a scattered population, and that the sugar distribution here has to go over many times as many square miles as it does there? Would that work out to a greater cost?

Mr. PALMER. It does not seem to work, when you consider the fact that we have four or five States in the Union where sugar is sold at retail at a less price than it is in New York City and Brooklyn, right at the door of the refinery, where there are no freight charges.

Mr. HINDS. Where would that be?

Mr. PALMER. Taking the average price as given by the Bureau of Labor of the Department of Commerce and Labor, for the years 1890 to 1899, 10 years, the average price in New York City was 5.408 cents per pound.

Mr. HINDS. That is, retail?

Mr. PALMER. That is retail; for 10 years. In Maryland it was 5.407; in Virginia it was 5.386; in Rhode Island it was 5.385; in Kansas it was 5.25.

Mr. HINDS. Kansas is a beet country; was that beet sugar or cane?

Mr. PALMER. That was cane. They had no factory there at that time.

Mr. HINDS. That cane came from Louisiana, did it, or from New York?

Mr. PALMER. I presume from Louisiana, from New York, and from our western beet-sugar factories. That is the meeting point out there, you might say, for the various sugars.

Mr. HINDS. So that, by one device or other, we have the freight distribution of our sugar in this country in hand, so that there is no great enhancement on England to any great amount?

Mr. PALMER. Not to account for any great difference like that. While our distances are much greater and perhaps our freight rates are some greater, the freight rates are not greater in the proportion of our greater distances.

Mr. HINDS. That is, per ton per mile they are not so great as they are in England, are they?

Mr. PALMER. No, sir.

Mr. HINDS. You were speaking awhile ago about the use of sugar in preserving in England. Do you use this brown sugar in preserving in England?

Mr. PALMER. That I do not know.

Mr. HINDS. That preserving industry is a great industry in England, is it not?

Mr. PALMER. It is a considerable industry. I have it here. I looked it up on account of a letter written by Mr. Lowry, in which he uses this language:

England has taken advantage of the positions which other countries have taken, by allowing them to ship their excess supplies, which they sold at a low figure, and in this way England has built up her canning and preserving industries so that she supplies the world.

From the Statistical Abstract of the United Kingdom for 1909, I find that from 1900 to 1909, inclusive, Great Britain imported 8,552,442 pounds sterling worth of confectionery, including fruits and vegetables preserved in sugar; and during that same time she exported 9,163,945 pounds sterling worth of those same products, so that the average difference per year is only the difference between 855,000 and 916,000.

Mr. HINDS. What do those figures show, that her exports of preserves and confectionery, and so forth, are largely because she acts as middleman; that she imports these from other countries, and then distributes them?

Mr. PALMER. No; she imports nearly as many as she exports for her own use. These are the United Kingdom productions. Her exports amount to about 60,000 pounds sterling a year, \$300,000 a year, more than her imports.

Mr. HINDS. How do you know what those exports are, whether they are those fruits that she has canned herself, or some she has bought in other markets? Have you any way of telling?

Mr. PALMER. Yes, sir; it is stated in the Statistical Abstract that those are the products of the United Kingdom. For instance, take another commodity, into which sugar enters very largely, the matter of condensed milk. There is an enormous amount of sugar used in condensed milk. The imports into Great Britain of sweetened condensed milk amounted to 16,150,000 pounds sterling in those same 10 years—1900 to 1909. Her exports amounted to 5,935,000 pounds sterling from produce of the United Kingdom. From foreign and colonial produce—they give it in a different table—they exported 1,295,000 pounds sterling worth.

Mr. HINDS. So she imported more than she exported?

Mr. PALMER. Oh, very much more. She averaged of imports 1,615,000 pounds sterling worth, as against total exports, both British and colonial and foreign, of 723,000—more than double.

Mr. HINDS. Where did she get those supplies of canned fruit, and so forth, that she has imported; from what countries, do you know?

Mr. PALMER. No; I did not look that up.

Mr. HINDS. But they must have come from countries where sugar is higher than in England, must they not?

Mr. PALMER. Necessarily.

Mr. HINDS. But we have been led to suppose—and this seems surprising to me—that because of the low price of sugar she was leading the world on her canning industry of fruits, and so forth.

Mr. PALMER. It is not so; and her figures do not correspond at all favorably with our own. I can give you a few figures on similar industries in this country. We do not use the same classifications. Under the classification of confectionery we, in 1910, imported \$113,846 worth. Our exports of confectionery amounted to \$784,629.

Mr. HINDS. That is, on the balance we are a greater exporter than England of confectionery?

Mr. PALMER. Very much. We exported six or seven times as much as we imported, and she but a mere fraction more than she imported. You take it on fruits and vegetables preserved in sugar, our exports amounted to \$4,381,030, while our imports amounted to but \$2,010,596. We are away ahead of her, double.

Mr. HINDS. How are we for a single year; how would our figures compare with hers?

Mr. PALMER. That is for a single year; that is 1910?

Mr. HINDS. We were ahead of her in 1910. Were we ahead in the total export?

Mr. MALBY. Of those things; yes.

Mr. HINDS. In the total export of those things we were ahead of her, were we?

Mr. PALMER. Oh, several times.

Mr. MALBY. What else have you there on that line; anything?

Mr. PALMER. Yes; I have it on condensed milk. Our imports amounted to \$63,336 worth, and our exports to \$1,023,633. We have her beaten all down the line on every one of those things.

Mr. HINDS. How can we do that with sugar higher than it is with us?

Mr. PALMER. It is because sugar is not the main factor in it.

Mr. HINDS. The amount of sugar, then, in candy is relatively small, I suppose?

Mr. PALMER. In candy it is large.

Mr. HINDS. Sometimes I thought not so large, after all.

Mr. PALMER. I find from the report of the British Tariff Commission that they estimate that 75 per cent of the weight of their candy is sugar. I have heard that question asked here several times, and made a search for it, and that is the only intimation I have as to the actual percentage.

Mr. MALBY. Does anybody know what the balance is? [Laughter.]

Mr. PALMER. I doubt it.

Mr. HINDS. In New York you and Mr. Spreckels disagreed some as to the comparative relations of various grades of sugar; that is, Lyle's sugar, German beet, I think, and our standard refined. Have you come to any more definite information on it than you had at that time?

Mr. PALMER. Yes, sir; I have. Mr. Spreckels disagreed very materially with me, and apparently attempted to discredit the

figures which I quoted. He stated that Lyle's granulated was a fancy sugar, which might be called a proprietary sugar, and sold for at least a quarter of a cent a pound more than it would if put out under the brand of "John Smith's refined;" and I cabled to Czarnikow in London and ascertained that the name "Lyle's" would add no more than three points to the same grade of sugar put out by anybody else.

Mr. HINDS. That is, 3 cents on a hundred?

Mr. PALMER. Three pence on 112 pounds.

Mr. HINDS. That is 6 cents on 112 pounds?

Mr. PALMER. It would be about 5 cents on a hundred pounds.

Mr. HINDS. That would be one twentieth of a cent——

Mr. PALMER. It would be 5 cents on a bag of 100 pounds.

Mr. HINDS. That would be one-twentieth of a cent on a pound of sugar?

Mr. PALMER. Yes.

Mr. HINDS. That is about what Lyle's name is worth to a pound of sugar, one-twentieth of a cent?

Mr. PALMER. Yes. And he intimated that their sugar was fancifully packed, as though it were put out in cartons; and my cable disclosed the fact that their sugar is put out in bags of two hundredweight, that is, 248 pounds; and they use a single sack over there, a thicker sack than ours, but we use two sacks, and it costs more to put sugar out in 100-pound sacks than it does in sacks of 240 pounds.

Mr. MALBY. So that, so far as the sack is concerned, it would cost more here than there?

Mr. PALMER. Yes, sir; unquestionably. And on this canning business, in his circular he mentioned Heinz, the pickle and preserving man, having to establish a house in the United Kingdom; because of the higher price of sugar in this country he had to go there, where sugar was cheap. I just read you the imports and exports of the United Kingdom on preserved products, and our own exports, which show there is nothing in that whatever.

Mr. HINDS. You do not know whether the patent regulations of England apply also to trade-marks in regard to manufacturing in England, do you?

Mr. PALMER. No; I do not.

Mr. HINDS. That question was raised in New York, and he did not seem to know.

Mr. PALMER. No; I do not know. Of course, the duty question he misstated in his circulars, and made it 78.87 ad valorem equivalent, when it is but 52.78; and it has not been above 61.43 for six years. He makes the people believe that they are paying a lot more for duty than they actually are. I do not know why he should do it, except to mislead the people.

Mr. HINDS. In this question, if I am asking you some old traveled ground, I hope some member of the committee will inform me. I was called away in the afternoon the other day, and we left you during the recess to figure out about the profits of that early beet-sugar factory in California, and you were going to figure it out. I was not here in the afternoon, and I do not know whether you reported on it. If you did report, I will not ask.

Mr. PALMER. I did; but I did not report in such detail as I have it now from Willett & Gray.

Mr. HINDS. What were your other figures based on, private information?

Mr. PALMER. They were Willett & Gray's also; but I had not figured it out in this way.

Mr. HINDS. So you have authoritative figures from an authoritative source?

Mr. PALMER. Yes, sir; and I also had some private information in my notebook which checked up almost absolutely with Willett & Gray.

Mr. HINDS. I suppose the committee would not object to the further amplification of that?

Mr. MALBY. I think it is important. He gave only a brief statement.

Mr. HINDS. I suppose, if there is no objection, you might give us those figures, if it is not too long and does not traverse ground you have already traversed.

Mr. PALMER. Yes; I will give those to you in a very few words. Mr. Spreckels stated that the concern was capitalized for \$500,000.

Mr. MALBY. Which concern is that?

Mr. PALMER. The Watsonville factory—the Western Beet Sugar Factory is the way Willett & Gray put it—at Watsonville, Cal. He stated that the first year of operation, the year 1888–89, they paid 12 per cent dividends, and that the next year, 1889–90, they paid \$400,000 in dividends. That makes \$460,000 that he says they paid in dividends in two years, naming the years.

Mr. MALBY. On \$500,000 of capitalization?

Mr. PALMER. Yes, sir. They made the first year 1,640 tons of raw sugar and the second year 1,585 tons.

Mr. HINDS. That is from Willett & Gray's?

Mr. PALMER. Yes, sir; that is from Willett & Gray's of December 18, 1890. That was raw sugar. The average New York price of raw sugar in 1888 was 5.93. The average price the next year, 1889, was 6.57, and allowing that they got for their raw sugar the full New York price their total receipts for those two years in which Mr. Spreckels says they paid \$460,000 in dividends, were only \$406,009. It is ridiculous. Willett & Gray's do not give the price that they paid for their beets, but I have it in my memorandum book, and the other figures where Willett & Gray do give figures check up with it, and I have no doubt it is correct. In those two years they paid out \$137,387 for beets alone. If they had got their beets for nothing, their coal, their limestone, and everything else they still would have been shy \$54,000 on the dividends that he says they paid. And when you take the \$137,000 for beets, if they got everything else but beets free of charge, they would lack \$191,000 of being able to pay \$460,000 dividends. But those figures are back a good while, and I felt very fortunate in being able to get hold of a copy of Willett & Gray's as far back as that and being able to check them up.

Mr. MALBY. If it does not interrupt you any, I think Mr. Spreckels also referred to the Union Sugar Co., of California, that was reported to have made 100 per cent recently. Have you any means of ascertaining whether that is so or not?

Mr. PALMER. I have not; but I should put about as much credence in that statement as in the other one about Watsonville.

Mr. MALBY. That might be so; but is the Union Sugar Co. quoted in Willett & Gray's as to their production, so that you might ascertain by mathematical calculation whether the same credence should or should not be given to it?

Mr. PALMER. No. It is possible they do. The Government figures do not disclose individual factories, but group them by States. I presume Willett & Gray have given an estimate.

Mr. MALBY. I will not detain you on that matter a moment, but I would like to be informed, because I have had it in mind to request the chairman to communicate with that company, if it is not intended to subpoena anyone, and ask them to give a statement with reference to their profits, because it occurred to some of us that it was somewhat extraordinary. But if you have them, or they are ascertainable, so that the committee can have them in its possession at least to-morrow, or possibly Monday, I wish you would hand them to the chairman of the committee.

Mr. PALMER. I will do so. Another thing; I have not read Mr. Spreckel's testimony carefully. I would like to put in one point on that.

Mr. SULZER. Certainly.

Mr. PALMER. Some of the members of the committee said, if I recollect correctly, that Mr. Spreckels said that his father told him it cost but 2½ cents to produce sugar from beets out there. That first year of their operation they got 2,800,000 pounds of sugar out of 14,845 tons of beets. That is 188.6 pounds per ton; and they paid \$4.83 a ton for their beets. Hence the sugar in the beets, before they ever had touched them, cost them \$2.56 a hundred.

Mr. SULZER. He must have been in error about that.

Mr. PALMER. I think so.

Mr. MALBY. Can you elaborate any more on that? Have you anything more?

Mr. PALMER. The next year the sugar in the beets cost \$2.10 a hundred, making an average of about \$2.30 a hundred that the sugar in the beets cost before ever the factory had begun to grind them up.

Mr. SULZER. Will you be good enough to put those figures in the record that you have there?

Mr. PALMER. Yes, sir.

Mr. SULZER. We will excuse you for a few moments until Judge Raker returns, and we will call Mr. Bellis.

TESTIMONY OF MR. HARRY E BELLIS, OF PHILADELPHIA, PA.

(The witness was duly sworn by the chairman.)

Mr. SULZER. Give the stenographer your full name, address, and occupation.

Mr. BELLIS. Harry E. Bellis, Philadelphia, freight-rate expert.

Mr. SULZER. Mr. Bellis, how long have you been an expert in freight rates?

Mr. BELLIS. I have been four years interested.

Mr. SULZER. And what experience have you had in that connection?

Mr. BELLIS. I have been interested in a great many cases ever since the Spokane rate case, in which I assisted Mr. Frank McEwen in the preparation of several cases in the intermountain country, known as the intermountain rate cases. Then, when I came East two years ago,

I became interested in the movement in Philadelphia and was interested in several cases, the Maritime Exchange against the Pennsylvania Railroad in particular, on cement, and a great number of other cases—about 17 or 18.

Mr. SULZER. Have you prepared some statistics and tables regarding freight rates?

Mr. BELLIS. I have.

Mr. SULZER. Will you exhibit them to the committee and testify concerning them in your own way?

Mr. BELLIS. I have here a list of the comparative prices on granulated sugar at New York, Philadelphia, and New Orleans each week from January 5 until July 27, 1911, the present year. Those prices are identical.

Mr. MALBY. At what place?

Mr. BELLIS. At New York, Philadelphia, and New Orleans, both list and invoice prices.

Mr. MALBY. Freight rates to where?

Mr. BELLIS. This is prices on granulated sugar, standard.

Mr. MALBY. From what place to what place?

Mr. BELLIS. At New York, Philadelphia, and New Orleans.

Mr. MALBY. To any place?

Mr. BELLIS. No; to no place. These prices are the list and invoice prices at the refineries.

Mr. MALBY. Of sugar?

Mr. BELLIS. On sugar, standard grade.

Mr. MALBY. Go ahead, we may understand.

Mr. BELLIS. From January 5 to March 30 they were subject to a 1 per cent discount; from April 6 to July 27 they were subject to a 2 per cent discount. Taking the prices on the standard grade of sugar, granulated, as the same, I have undertaken to get up tables of rates from the respective centers in an effort to show, as would be natural, that freight rates would restrict the territory in which sugar could be sold unless the refiners were to absorb the freight rate in the price of sugar.

The Pennsylvania Railroad Co.'s tariff G. O.—I. C. C., No. 1696 quotes rates on sugar in carloads from New York, Philadelphia, and Baltimore, to Minnesota, Wisconsin, and Michigan points; that rate blankets that entire territory, the rate from New York being 33 cents, the rate from Philadelphia being 31 cents, and the rate from Baltimore being 30 cents. That tariff quotes rates to 21 points in Minnesota, to 205 points in Wisconsin, to 212 points in Michigan, a blanket rate covering that entire territory. That, as a general rule, is evidence that there is no business, owing to other territories practically controlling those centers having a lower rate of freight. It would be unprofitable, at least I take it for granted it would be unprofitable—I know nothing about the cost of producing refined sugars—from New York, to sell sugar in that territory.

Mr. SULZER. In that connection, if it does not interfere with the statement you are making, can you tell us why the Pennsylvania Railroad discriminates against New York?

Mr. BELLIS. I am not under the impression that the Pennsylvania Railroad does discriminate against New York.

Mr. SULZER. The rate to the Northwest, between New York and Philadelphia, is different, is it not?

Mr. BELLIS. You are referring now, very likely, to what I am somewhat familiar with, and may not possibly be as familiar with as yourself. In the Spokane case, which was one of the big cases before the Interstate Commerce Commission, the rates from New York and Chicago—in fact, all the territory east of Chicago—to Pacific coast points, were identical.

Mr. SULZER. On all the railroads?

Mr. BELLIS. On all class traffic.

Mr. SULZER. And on all the transcontinental roads?

Mr. BELLIS. Yes; \$3 per hundred pounds was the rate, the coast rate.

Mr. MALBY. From where?

Mr. BELLIS. From New York, or any territory east of the Mississippi River.

Mr. MALBY. Or the West?

Mr. BELLIS. In practically what is known as official classification territory.

Mr. MALBY. East of the Mississippi?

Mr. BELLIS. East of the Mississippi; east of a line drawn from Chicago to St. Louis, and to Cairo, Ill.

Mr. MALBY. How much a hundredweight?

Mr. BELLIS. Three dollars per hundred pounds, first class, to Pacific coast points.

Mr. MALBY. From all points east of Chicago?

Mr. BELLIS. Practically all points east of Chicago, whether it be Pittsburg, Buffalo, Cleveland, New York, Boston, Portland, Me., whatever it was. It was claimed by the carriers defendant in that case that they were subject to water competition, and it was really necessary on account of that water competition via the Mississippi River to certain centers there in the Middle West, down to the Gulf and around, and the same with the Ohio River and down the Mississippi, and the ocean traffic out of New York, and Atlantic seaboard points.

Mr. HINDS. That is, New York by the Isthmus?

Mr. BELLIS. Either by the Isthmus, through the Straits, or around the Horn.

Mr. HINDS. What effect will the opening of the Panama Canal have on the freight rates?

Mr. BELLIS. It ought to have considerable effect. It would depend altogether on what the tolls would be in that canal. If it were a free ship canal, it would paralyze transcontinental railroad traffic in my opinion.

Mr. HINDS. Will any tolls that the Government can ask on a steamer passing through there have a very appreciable effect on a hundredweight of freight, or will the toll be on the freight and not on the vessel?

Mr. BELLIS. I am not familiar with canal tolls, but I understand that it is in part on the cargo and not on the vessel.

Mr. HINDS. I notice the Suez Canal tolls seem to be specified as per ton. I could not find out from the source of information which I had whether that was per ton of freight or per ton of vessel and freight.

Mr. BELLIS. I am not familiar with that myself.

Mr. MALBY. For my information on what he has already testified to I would like to know whether that \$3 a hundred on freight from points east of Chicago to the Pacific coast has anything to do with sugar.

Mr. BELLIS. It is generally understood that sugar is handled on a commodity basis.

Mr. MALBY. What the committee is interested in knowing about these freight rates is as they may have relation to sugar. We are not particularly interested in what the freight rates would be on cotton, woolen goods, silk, china, crockery, or things of that kind; we want to know, if you have the figures, what the freight rates are, established by these eastern lines with western connections, on sugar.

Mr. BELLIS. I have not been able to obtain, and have not examined any tariffs on transcontinental traffic on sugar, or to points on the Mississippi River; they practically could not compete.

Mr. MALBY. If you have anything on sugar anywhere, let us have it.

Mr. BELLIS. They could not practically compete on sugar with Pacific coast refineries.

Mr. MALBY. What I would like to know, and I think the committee would be interested in, is this: In the first place, have the great railroad companies of the East, such as the New York Central, the Pennsylvania, the Baltimore & Ohio, and others, which have connections with the Pacific slope, first divided the country into freight sections, where they charge a given rate—a fixed rate—and agree, all of them, to charge the same rate; and, if so, what are the divisions of the country into which it has been divided, if you know? Secondly, what are the rates on sugar from Boston, New York, Philadelphia, Baltimore, New Orleans, to points in the Mississippi Valley, or points westward from the Mississippi Valley? Those things are matters which are of concern to the committee, if you have anything on that line.

Mr. BELLIS. There are three freight territories, known as the classification territories. Sugar is classified, in a great many instances, as fifth-class traffic. For instance, all local traffic from New York, Philadelphia, and Baltimore to all points east of Marysville, which is 21 miles west of Harrisburg, takes a fifth-class rate on sugar. West of that sugar takes a commodity rate.

Mr. MALBY. What are we to understand by a commodity rate?

Mr. BELLIS. In official classification territory there are six classes, 75 cents, first class, down to 25 cents, sixth class. There are a great many commodities, such, for instance, as coal, iron ore, lumber, and sugar, that really, on long hauls, the traffic would not move if it were classified traffic and had to move on such a rate basis as that, in car-load lots. So the rates were reduced, and they were put on a commodity basis.

Mr. MALBY. In other words, it is a classification not included in any of the six classifications to which you have referred, but a separate and distinct classification of commodities?

Mr. BELLIS. The commodity rate is altogether different; it is a separate and distinct rate from a class rate.

Mr. MALBY. To go back to our original question, can you say to the committee whether or not the country is divided up into various sections by the railroad companies, in which definite, uniform rates are fixed by these great companies to which I referred? Is the country so divided? Have you any knowledge on that subject?

Mr. BELLIS. The country is divided at the Mississippi River, and it is divided again, in so far as rates go, by blanketing these territories at the Missouri River; and it is divided at the Ohio River.

Mr. MALBY. Perhaps the witness will make better progress by going along in his own way. But what I started out to do was to have him confine himself to sugar.

Mr. BELLIS. It is divided on all traffic, not only class traffic, but sugar as well. Sugar to be shipped beyond the Mississippi River takes a rate to the Mississippi River and then has an arbitrary added to it, and the rate west of the Mississippi River in western classification territory.

Mr. MALBY. That is just what we want to know.

Mr. SULZER. Now, will you proceed along those lines with the data you have prepared?

Mr. BELLIS. When I spoke of rail rates on sugar to points in Minnesota, Wisconsin, and Michigan the point I desired to make there was the fact that a 33, 31, and 30 cent rate, cents per hundred pounds, from New York, Philadelphia, and Baltimore, respectively, could not possibly compete in that territory with the Michigan beet sugar.

Mr. MALBY. In that connection, tell us what the Michigan beet-sugar factories pay to the same territory.

Mr. BELLIS. To Benton Harbor, Mich., 11 cents.

Mr. MALBY. Classified in the same way that you have it, could you tell us?

Mr. BELLIS. Those rates do not exceed at any point 20 cents; to Milwaukee, Wis., and Benton Harbor, Mich., 11 cents per hundred pounds; Battle Creek, Mich., Detroit, Ann Arbor, Grand Rapids, and Duluth, from 10½ to 8½. Of course it is all short hauls, and naturally the rate would vary somewhat, possibly a cent or a cent and a half per hundred pounds. Practically that same territory, from New Orleans, takes a rate of 30 cents; and to the more northern points, such as Duluth—Duluth takes a rate of 34 cents a hundred pounds from New Orleans.

Mr. SULZER. And the rate from New York is 33 cents?

Mr. BELLIS. Thirty-three cents. In southern Minnesota points, in Iowa points, and in the entire Missouri River territory—what is known as the Missouri River territory, between the Missouri and Mississippi Rivers—to points far up into Minnesota, and south, practically, to the Arkansas and Oklahoma line, the rate from New Orleans is 32 cents per 100 pounds.

Mr. MALBY. Now, give us the same from New York and Philadelphia.

Mr. BELLIS. 42 cents from New York, 40 cents from Philadelphia, and 39 cents from Baltimore. Both rates blanket the entire territory known as Missouri River territory.

Mr. MALBY. While you are at that, can you give us the rate from Colorado into this same territory?

Mr. BELLIS. No, I can not.

Mr. MALBY. Or from Utah, or California?

Mr. BELLIS. No, I can not. I have not had an opportunity to investigate the western rate situation at all. The fact, in my mind, of New Orleans having a rate comparatively 10 cents lower than the New York rate would hardly enable eastern refineries to compete in that territory.

Mr. MALBY. They would have to absorb the rates as they do elsewhere?

Mr. BELLIS. They would have to absorb the freight rate. A company that would own a refinery in New Orleans and would own one in New York would naturally permit the New Orleans refineries to do business there, provided they could have the rates, which seemed to be the case here.

Mr. SULZER. Just in so far as you can, Mr. Bellis, confine your testimony to the rates on sugar.

Mr. BELLIS. I have a great many rates here.

Mr. MALBY. Never mind the effect of it. We have gone pretty thoroughly into that. If you just give us figures you will proceed perhaps a little more rapidly; and give such rates as you have.

Mr. BELLIS. I have a tabulation here showing the all-rail rates on sugar in carloads in cents per hundred pounds, from New York, Philadelphia, Baltimore, and New Orleans, to the following points. That is comparative.

Mr. MALBY. Proceed, and give them.

Mr. BELLIS. I could give the stenographer a copy of it.

Mr. MALBY. Do that.

Mr. SULZER. Let me ask you, in that connection, did you prepare that table of rates on sugar?

Mr. BELLIS. I did.

Mr. SULZER. And from what sources did you get your information?

Mr. BELLIS. From G. O.—I. C. C. No. 1696, Pennsylvania Railroad tariff; and G. O.—I. C. C. No. 1697, Pennsylvania Railroad tariff; from Illinois Central Railroad Co., Yazoo and Mississippi Valley Railroad Co., Sugar No. 42.

Mr. SULZER. And to the best of your knowledge, those figures which you have tabulated are correct?

Mr. BELLIS. Yes, sir.

Mr. SULZER. You can hand the copy you have to the stenographer, and he will incorporate it in the record.

(The table referred to by the witness is as follows:)

All-rail rates on sugar (carloads), in cents per 100 pounds, from New York, Philadelphia, Baltimore, and New Orleans to points named below.

To—	From—			
	New York.	Philadel- phia.	Baltimore.	New Orleans.
Chicago, Ill.....	26	24	23	23
St. Louis, Mo.....	20	18	17	17
Indianapolis, Ind.....	24	22	21	23
Detroit, Mich.....	20	18	17	23
Cleveland, Ohio.....	18	16	15	23
Cincinnati, Ohio.....	21	19	18	18½
Louisville, Ky.....	20	18	17	17
Evansville, Ind.....	20	18	17	17
Columbus, Ohio.....	20	18	17	23
Pittsburg, Pa.....	14	14	13	30
Buffalo, N. Y.....	14	14	14	30
Cairo, Ill.....	20	18	17	17
Alton, Ill.....	30	28	27	20
Ann Arbor, Mich.....	24	22	21	27
Battle Creek, Mich.....	25	23	22	27
Bay City, Mich.....	24	22	21	29
Benton Harbor, Mich.....	25	23	22	27
Burlington, Iowa.....	27	25	24	28
Hannibal, Mo.....	25	23	22	23

All-rail rates on sugar (carloads), in cents per 100 pounds, from New York, Philadelphia, Baltimore, and New Orleans to points named below—Continued.

To—	From—			
	New York.	Philadel- phia.	Baltimore.	New Orleans.
Louisiana, Mo.....	25	23	22	23
Quincy, Ill.....	25	23	22	23
Rock Island, Ill.....	27	25	24	28
Davenport, Iowa.....	27	25	24	28
Dubuque, Iowa.....	27	25	24	28
Keokuk, Iowa.....	25	23	22	26
Fort Madison, Iowa.....	26	24	23	.....
Madison, Ind.....	24	22	21	.....
Anderson, Ind.....	24	22	21	.....
Aurora, Ill.....	27	25	24	23
Bloomington, Ill.....	29	27	26	23
Belleville, Ill.....	28	26	25	17
Henderson, Ky.....	20	18	17	17
Owensboro, Ky.....	20	18	17	17
Paducah, Ky.....	20	18	17	17
Clinton, Iowa.....	27	25	24	28
Savanna, Ill.....	27	25	24	.....
Kelthsburg, Ill.....	27	25	24	.....
Lexington, Ky.....	24	22	21	18½
Appleton, Wis.....	33	31	30	30
Eau Claire, Wis.....	33	31	30	30
Fond du Lac, Wis.....	33	31	30	30
La Crosse, Wis.....	33	31	30	30
Superior, Wis.....	33	31	30	.....
Duluth, Minn.....	33	31	30	34
Minneapolis, Minn.....	33	31	30	30
St. Paul, Minn.....	33	31	30	30

NOTE.—Above rates are authorized by Pennsylvania Railroad Co., tariffs G. O.—I. C. C. No. 1696, G. O.—I. C. C. No. 1697, from eastern points and from Illinois Central Railroad Co., Yazoo & Mississippi Valley R. R. Co., sugar No. 42.

HARRY E. BELLIS, Philadelphia, Pa.

JULY 28, 1911.

Mr. MALBY. You might tell us what those abbreviations mean.

Mr. BELLIS. What the abbreviations mean?

Mr. MALBY. Yes, "G. O.—I. C. C."

Mr. BELLIS. "G. O." is a series number, a railroad series number; and "I. C. C." is Interstate Commerce Commission. That is the Interstate Commerce Commission number.

Mr. MALBY. I did not understand what it was, that is all. Hand that paper to the stenographer. What other tables have you prepared?

Mr. BELLIS. I have rates on sugar in carloads and cents per hundred pounds from Alma, Mich., and Owosso, Mich., to the following points. That covers points as far east as McKeesport, and, in fact, to Pittsburg and Buffalo, basing points on the east, down to Ohio River points, to Mississippi River points, and intermediate territory.

Mr. SULZER. Will you be good enough to hand that paper to the stenographer to be incorporated in the record?

Mr. BELLIS. These rates are authorized by tariff I. C. C.—A—No. 190 of the Ann Arbor Railroad Co. prorating with the Pennsylvania Railroad Co.

(The table referred to by the witness is as follows:)

Rates on sugar (carloads), in cents per 100 pounds, from Alma, Mich., and Owosso, Mich. to the points named below.

To—	From—		To—	From—	
	Alma.	Owosso.		Alma.	Owosso.
Allegheny, Pa.....	15	15	Hannibal, Mo.....	18	18
Buffalo, N. Y.....			Quincy, Ill.....		
Butler, Pa.....			East Hannibal, Ill.....		
Erie, Pa.....			Henderson, Ky.....	21	21
Dunkirk, N. Y.....			Owensboro, Ky.....	21	21
Jamestown, N. Y.....			Paducah, Ky.....	21½	21½
Pittsburg, Pa.....			Burlington, Iowa.....	24	24
Oil City, Pa.....			Clinton, Iowa.....		
Beaver Falls, Pa.....			Davenport, Iowa.....		
Brockton, N. Y.....			Dubuque, Iowa.....		
Chester, Pa.....			Fort Madison, Iowa.....	14	13
Corry, Pa.....			Keokuk, Iowa.....		
Farnham, N. Y.....			Rock Island, Ill.....		
Fredonia, N. Y.....			Anderson, Ind.....	14	14
Greenville, Pa.....			Indianapolis, Ind.....	14	14
McKeesport, Pa.....			New Castle, Pa.....	14	14
Meadville, Pa.....			Aurora, Ill.....	14½	14½
Midway, Pa.....			Terre Haute, Ind.....	14½	14½
Monessen, Pa.....			Cincinnati, Ohio.....	13	13
New Brighton, Pa.....			Cleveland, Ohio.....	13	13
Rankin, Pa.....			Columbus, Ohio.....	13	13
Sharon, Pa.....	16	16	Benton Harbor, Mich.....	11	11
Titusville, Pa.....			Chicago, Ill.....		
Wheeling, W. Va.....			Fort Wayne, Ind.....		
Alton, Ill.....			Joliet, Ill.....		
Decatur, Ill.....			Milwaukee, Wis.....	10½	8½
Mississippi River crossings.....			Battle Creek, Mich.....		
Evansville, Ind.....			Detroit, Mich.....		
Louisville, Ky.....			Ann Arbor, Mich.....	9½	8
Peoria, Ill.....			Grand Rapids, Mich.....	9	8½
St. Louis, Mo.....			Toledo, Ohio.....	9	8½

NOTE.—Above rates are authorized by tariff I. C. C.—A—No. 190 of the Ann Arbor Railroad Co., prorating with the Pennsylvania Railroad Co.

HARRY E. BELLIS, Philadelphia, Pa.

AUGUST 1, 1911.

Mr. MALBY. In that connection, you take as a starting point some place in Michigan; did you say what point that was?

Mr. BELLIS. That is from Alma and Owosso to Michigan points. They are Ann Arbor railroad points, where sugar originates, into Michigan beet-sugar points.

Mr. MALBY. Have you something showing what the rates are from New York to the same territory, New York and Philadelphia to the the same territory?

Mr. BELLIS. I just handed the stenographer an exhibit in that respect.

Mr. MALBY. Very well.

Mr. SULZER. Take up your next table, Mr. Bellis.

Mr. BELLIS. This table is lake and rail rates on sugar (carloads) in cents per 100 pounds from New York, Philadelphia, and Baltimore to the following points.

Mr. MALBY. Name some of those points so that we may have them in mind.

Mr. BELLIS. Chicago, Ill.; St. Louis, Mo.; Indianapolis, Ind.; Detroit, Mich.; Cleveland, Ohio; Cincinnati, Ohio; Milwaukee, Wis.; Duluth, Minn.; Superior, Wis.; St. Paul, Minn.; Racine, Wis.; Joliet, Ill.

Mr. MALBY. That is enough. You say that the rates are the same to New York and Philadelphia?

Mr. BELLIS. No; I did not say that the rates were the same to New York and Philadelphia.

Mr. MALBY. Give us the rates on cars to these points?

Mr. BELLIS. From New York to Chicago is 23 cents a hundred pounds. From Philadelphia to Chicago is 21 cents a hundred pounds. From Baltimore to Chicago is 20 cents a hundred pounds. That is lake and rail rate, which is 3 cents under the all-rail rate.

Mr. MALBY. What is it to St. Paul?

Mr. BELLIS. Thirty cents from New York, from Philadelphia 28 cents, and from Baltimore 27 cents.

Mr. SULZER. I wish you would file that table with the stenographer and let it go in the record here.

(The table referred to is here printed in the record, as follows:)

Lake and rail rates on sugar (carloads), in cents per 100 pounds, from New York, Philadelphia, and Baltimore to the points named below.

To—	From—			To—	From—		
	New York.	Phila- delphia.	Balti- more.		New York.	Phila- delphia.	Balti- more.
Chicago, Ill.....	23	21	20	Hannibal, Mo.....	23	21	20
St. Louis, Mo.....	18	16	15	Granite City, Ill....	26	24	23
Indianapolis, Ind..	22	20	.....	Quincy, Ill.....	23	21	20
Detroit, Mich.....	18	16	15	Burlington, Iowa ..	25	23	22
Cleveland, Ohio....	17	15	14	Clinton, Iowa.....	25	23	22
Cincinnati, Ohio...	19	17	.....	Davenport, Iowa...	25	23	22
Milwaukee, Wis....	23	21	20	Dubuque, Iowa....	25	23	22
Duluth, Minn.....	26	24	23	Rock Island, Ill....	25	23	22
Superior, Wis.....	26	24	23	Keokuk, Iowa.....	25	23	22
St. Paul, Minn.....	30	28	27	Fort Wayne, Ind ..	21	19	.....
Racine, Wis.....	23½	21½	20½	Savanna, Ill.....	25	23	22
Joliet, Ill.....	23½	21½	20½	Keithsburg, Ill.....	25	23	22

NOTE.—Above rates were in effect Apr. 1, 1911.

HARRY E. BELLIS, Philadelphia, Pa.

JULY 29, 1911.

Mr. SULZER. Now, take up your next table and go on.

Mr. BELLIS. The next table shows the rates on sugar (carloads) in cents per 100 pounds from New York, Philadelphia, and Baltimore to the following points.

Mr. SULZER. Mention some of those points.

Mr. BELLIS. Marysville, Pa.; Huntingdon, Pa.; Altoona, Pa.; Cumberland, Md.; Tyrone, Pa.; Bellefonte, Pa.; Lock Haven, Pa.; Johnstown, Pa.; Uniontown, Pa.; Homestead, Pa.; Wilkes-Barre, Pa.; Hazleton, Pa.; Selinsgrove, Pa.; Lewistown, Pa.; Lewisburg, Pa.; Williamsport, Pa.; Emporium, Pa.; Renova, Pa.; Erie, Pa.; Rochester, N. Y.; Bradford, Pa.; Du Bois, Pa.; Frederick, Md.; Sunbury, Pa.; Shamokin, Pa.; and Canandaigua, N. Y.

Mr. SULZER. Is Buffalo in there?

Mr. BELLIS. Buffalo is not.

Mr. SULZER. Why is not Buffalo there?

Mr. BELLIS. I think Buffalo is in one of the other tariffs. It is a 60 per cent point. This tariff is authority for these rates, and Buffalo, in many instances, takes a lower rate than many of these points, regardless of the fact that the haul is not as long.

Mr. SULZER. What are the classified rates to those places you have mentioned?

Mr. BELLIS. To Marysville, Pa., from New York, 14 cents. From Philadelphia it is the same. They quote no rate from Baltimore.

Mr. SULZER. What is the rate from Rochester to New York?

Mr. BELLIS. From Rochester to New York is 13 cents, from all three points.

Mr. SULZER. You may file that with the stenographer.

(The table referred to is here printed in the record, as follows:)

Rates on sugar (carloads), in cents per 100 pounds, from New York, Philadelphia, and Baltimore to the points named below.

To—	From—			To—	From—		
	New York.	Phila- delphia.	Balti- more.		New York.	Phila- delphia.	Balti- more.
Marysville, Pa.....	14	14	.....	Lewistown, Pa.....	14	14	13
Huntingdon, Pa....	14	14	13	Lewisburg, Pa.....	14	14	14
Altoona, Pa.....	16	14	13	Williamsport, Pa...	13	13	13
Cumberland, Md...	16	14	13	Emporium, Pa.....	13	13	13
Tyrone, Pa.....	14	14	14	Renova, Pa.....	13	13	13
Bellefonte, Pa.....	14	14	14	Erie, Pa.....	16	14	13
Lock Haven, Pa....	14	14	14	Rochester, N. Y....	13	13	13
Johnstown, Pa.....	16	14	13	Bradford, Pa.....	14	14	14
Uniontown, Pa.....	16	14	13	DuBois, Pa.....	14	14	13
Homestead, Pa.....	16	14	13	Frederick, Md.....	16	.....	.....
Wilkes-Barre, Pa...	13	13	13	Sunbury, Pa.....	13	13	13
Hazleton, Pa.....	13	13	13	Shamokin, Pa.....	13	13	13
Selinsgrove, Pa.....	14	14	14	Canandaigua, N. Y.	13	13	13

NOTE.—Pennsylvania Railroad Co. tariff G. O.—I. C. C. No. 3028 is authority for above rates, and were effective Apr. 17, 1911.

HARRY E. BELLIS, Philadelphia, Pa.

JULY 29, 1911.

Mr. SULZER. Now take up your next table and explain that to the committee.

Mr. BELLIS. On rail and lake traffic destined beyond east Mississippi River crossings the rates on sugar (carloads) in cents per 100 pounds from New York, Philadelphia, and Baltimore are as follows: That is for traffic destined beyond, the extra rate is 18 cents from New York, 16 cents from Philadelphia, and 14 cents from Baltimore.

Mr. MALBY. Is that on sugar?

Mr. BELLIS. On sugar.

Mr. MALBY. Give us some of those points so as to indicate their importance.

Mr. BELLIS. Alton, Ill.; East Clinton, Ill.; East Burlington, Ill.; East Dubuque, Ill.; East Fort Madison, Ill.; East Hannibal, Ill.; East Keokuk, Ill.; East Louisiana, Ill.; Keithsburg, Ill.; Quincy, Ill.; Rock Island, Ill.; and Savanna, Ill. They are known as east Mississippi River crossings or transfers.

Mr. SULZER. You may file that with the stenographer.

(The table referred to is here printed in the record, as follows:)

Rates on sugar (carloads) on rail and lake traffic destined beyond east Mississippi River crossings, in cents per 100 pounds, from New York, Philadelphia, and Baltimore.

To—	From—			To—	From—		
	New York.	Phila- delphia.	Balti- more.		New York.	Phila- delphia.	Balti- more.
Alton, Ill.....	18	16	14	East Hannibal, Ill.	18	16	14
East Clinton, Ill....				East Keokuk, Ill....			
East Burlington, Ill.....				East Louisiana, Ill.			
East Dubuque, Ill.				Kelthsburg, Ill.....			
East Fort Madison, Ill.....				Quincy, Ill.....			
				Rock Island, Ill....			
				Savanna, Ill.....			

NOTE.—Above rates are authorized by Pennsylvania Railroad Co. tariff G. O.—I. C. C. No. 1709.
HARRY E. BELLIS, Philadelphia, Pa.
JULY 29, 1911.

Mr. BELLIS. These rates are authorized by the Pennsylvania Railroad Co. tariff G. O. I. C. C. No. 1790.

Mr. SULZER. Now give us the next rates that you have.

Mr. BELLIS. I have here a table showing the comparative cost of sugar per carload of 36,000 pounds net at Chicago, St. Louis, and Kansas City on a basis of \$5 per hundred pounds, including the cost of transportation, from New York, Philadelphia, Baltimore, and New Orleans. It does not include discounts. That will show the total cost at Chicago, St. Louis, or Kansas City if a carload of sugar be purchased at New York, Philadelphia, Baltimore, or New Orleans.

Mr. SULZER. If the whole rate is charged?

Mr. BELLIS. If the rate is charged. I am figuring New York with this 2 cents. New York is on a Philadelphia basis. I also include tares.

Mr. SULZER. These figures show the price of refined sugar delivered by the manufacturer, to include all charges and freight prepaid, \$5 a hundred pounds?

Mr. BELLIS. Yes.

Mr. SULZER. Name some of those figures from New York, Philadelphia, Baltimore, and New Orleans?

Mr. BELLIS. The total cost, including the cost of sugar, transportation, and tare, at Chicago, purchased from New York, would be \$1,897.76.

Mr. SULZER. Carloads?

Mr. BELLIS. Yes. Purchased from Philadelphia it would be \$1,895.88, and from Baltimore it would be \$1,892.12.

Mr. SULZER. That is a carload of how much?

Mr. BELLIS. Thirty-six thousand pounds, net.

Mr. SULZER. How much would that be a hundred pounds?

Mr. BELLIS. The freight rate?

Mr. SULZER. No; everything. You say cost of the sugar, freight charges, and tariffs.

Mr. BELLIS. The cost of the sugar is \$5 per hundred pounds.

Mr. SULZER. Does that include the freight rate?

Mr. BELLIS. No; that does not include the freight rate. That is the base price.

Mr. SULZER. That is the net price at the factory?

Mr. BELLIS. At the factory.

Mr. SULZER. \$5 a hundred pounds?

Mr. BELLIS. Yes.

Mr. SULZER. Now, what is the freight rate?

Mr. BELLIS. The freight rate on the 36,000 pounds of sugar, or the net rate, is \$93.60, including tare; 1,600 pounds, 16 pounds to the barrel, is \$97.76 per car from New York to Chicago.

Mr. SULZER. Then the only additional cost to the purchasers of refined sugar at these respective cities you have in your table is \$5 a hundred pounds at the factory, plus the freight charge?

Mr. BELLIS. Plus the freight charges.

Mr. SULZER. And the only difference, then, is the difference in freight?

Mr. BELLIS. The difference that freight would make.

Mr. SULZER. What do you mean by tares?

Mr. BELLIS. The tare is the barrel. That sugar, of course, is sold net, and this is the cost net of the sugar, plus the tare, or the weight of the barrel. That is figured at 16 pounds, in so far as the rate is concerned. The barrel actually weighs about 25 or 27 pounds. That is a net loss of about 9 or 10 pounds to the railroad company on the barrel. I could not tell you how it is.

Mr. MALBY. In other words, they charge for 16 pounds when it is actually 24 or 25 pounds?

Mr. BELLIS. That is just what they do.

Mr. SULZER. Why do they do that?

Mr. BELLIS. Well, it is mighty difficult to tell why they do it. It is a loss of 900 pounds on a carload of sugar, or \$2.34 on a car.

Mr. SULZER. Who sustains that loss?

Mr. BELLIS. The railroad.

Mr. SULZER. Why?

Mr. BELLIS. I could not tell you why.

Mr. SULZER. Have you never investigated the matter, as an expert?

Mr. BELLIS. As far as investigating it goes, I have never been able to find out, upon investigation. Nobody that could possibly tell me would tell me.

Mr. MALBY. Let me make a suggestion to you, and see if that helps, of if I am correct in my surmise. They charge for 16 pounds regardless of the package in which it is shipped, do they not?

Mr. BELLIS. They do what?

Mr. MALBY. They charge for carrying 16 pounds; that is, they charge 16 pounds for the package in which a barrel of sugar, or its equivalent, goes, regardless of whether it is in a barrel or in a box or a sack, do they not?

Mr. BELLIS. Well, now——

Mr. MALBY. Of course, if it was in a sack it would not be 16 pounds, and if it was in a barrel it would be more than 16 pounds, and if it was in a box I do not know what it would be.

Mr. SULZER. In other words, they strike an average?

Mr. MALBY. Yes; that is what I had in mind. I was just wondering whether that would help anybody on the matter. It would be a guess on my part. Of course they are put up, as I understand it, in 100-pound packages; that is, so far as the bagging is concerned. Of course there would be something like three bags to the barrel.

Mr. BELLIS. I could not say as to that at all. It very likely is correct.

Mr. SULZER. Have you put the last table in the record?

Mr. BELLIS. No.

(The table referred to is here printed in the record, as follows:)

Comparative cost of sugar per carload (36,000 pounds net) at Chicago, St. Louis, and Kansas City, on basis of \$5 per 100 pounds, including cost of transportation from New York, Philadelphia, Baltimore, and New Orleans.

[Does not include discounts.]

	New York.	Philadel- phia.	Baltimore.	New Or- leans.
AT CHICAGO, ILL.				
Carload (100 barrels)	36,000	36,000	36,000	36,000
Cost.....	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Net rate.....	\$0.26	\$0.24	\$0.23	\$0.23
Net cost, transportation	\$93.60	\$86.40	\$82.80	\$82.80
Tare.....	1,600	1,600	1,600	1,600
Gross rate.....	\$97.76	\$90.24	\$86.48	\$86.48
2 cents less Philadelphia base.....	\$90.24			
Loss, American Sugar Refining Co.....	\$7.52			
Cost tare.....	\$7.52	\$5.64	\$5.64	\$5.64
Total cost:				
Sugar.....	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Transportation.....	\$90.24	\$90.24	\$86.48	\$86.48
Tare.....	\$7.52	\$5.64	\$5.64	\$5.64
Total.....	\$1,897.76	\$1,995.88	\$1,892.12	\$1,892.12
AT ST. LOUIS, MO.				
Carload (100 barrels)	36,000	36,000	36,000	36,000
Cost.....	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Rate.....	\$0.20	\$0.18	\$0.17	\$0.17
Net cost, transportation	\$72.00	\$64.80	\$61.20	\$61.20
Tare.....	1,600	1,600	1,600	1,600
Gross rate.....	\$75.20	\$67.68	\$63.92	\$63.92
2 cents less Philadelphia base.....	\$67.68			
Loss, American Sugar Refining Co.....	\$7.52			
Cost tare.....	\$5.64	\$4.70	\$4.70	\$4.70
Total cost:				
Sugar.....	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Transportation.....	\$67.68	\$67.68	\$63.92	\$63.92
Tare.....	\$5.64	\$4.70	\$4.70	\$4.70
Total.....	\$1,873.32	\$1,872.38	\$1,868.62	\$1,868.62
AT KANSAS CITY, MO.				
Carload (100 barrels)	36,000	36,000	36,000	36,000
Cost.....	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Net rate.....	\$0.42	\$0.40	\$0.39	\$0.32
Net cost, transportation	\$151.20	\$144.00	\$140.40	\$115.20
Tare.....	1,600	1,600	1,600	1,600
Gross rate.....	\$157.92	\$150.40	\$146.64	\$120.32
2 cents less Philadelphia base.....	\$150.40			
Loss, American Sugar Refining Co.....	\$7.52			
Cost tare.....	\$11.28	\$11.28	\$9.40	\$9.40
Net to American Sugar Refining Co.....	\$3.76			
Total cost:				
Sugar.....	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Transportation.....	\$150.40	\$150.40	\$146.64	\$120.32
Tare.....	\$11.28	\$11.28	\$9.40	\$9.40
Total.....	\$1,961.68	\$1,961.68	\$1,956.04	\$1,929.72

Mr. BELLIS. I might add to that, that tare, as being 16 pounds on the barrel, the net cost just balances the difference of 2 cents that the American Sugar Refining Co. absorbs, or that the sugar refining company absorbs, on the freight rate, New York to Chicago basis, and it is sold on a Chicago basis, \$7.52 for tare, \$7.52 of the absorption.

Mr. SULZER. That is in the nature of profit to the American Sugar Refining Co.?

Mr. BELLIS. That 16 pounds for tare brings back to the American Sugar Refining Co. what they have absorbed in the freight rate, the 2 cents.

Mr. SULZER. Give that a little more fully, so that the record will show exactly what you mean.

Mr. BELLIS. The tare is 16 pounds to the barrel.

Mr. SULZER. Would it be 16 pounds to the bag?

Mr. BELLIS. That I do not know.

Mr. SULZER. Would it be 16 pounds to the box?

Mr. BELLIS. I do not know.

Mr. SULZER. Do you know if the traffic managers of the railroads, in making this flat tare of 16 pounds to the barrel, try to strike the general average between barrels and boxes and bags and packages?

Mr. BELLIS. I do not know what they try to do in that respect.

Mr. SULZER. Will you investigate that matter for the committee and write a letter about it at your earliest convenience?

Mr. BELLIS. I will do that.

Mr. SULZER. Very well. Proceed with what you have before you now.

Mr. MALBY. He did not answer your last question, I thought, there, as to what he meant by the tare allowance making good to the American Sugar Refining Co. the 2 cents freight absorbed by them. You see, in all the evidence we have had, between New York and Chicago and Philadelphia and Chicago, it has been 2 cents. Now, the American Sugar Refining Co. have informed us that they have absorbed that 2 cents; that is to say, they pay it themselves. Now the witness says, if I understood him, that the American Sugar Refining Co. got that back as an allowance. What was your explanation as to that?

Mr. BELLIS. To all points west of Pittsburg and New York, or Pittsburg and Buffalo, N. Y., the American Sugar Refining Co. does absorb the 2 cents freight rate, and it is placed on a Philadelphia basis. That is a loss of \$7.52 on the carload. Now, on 36,000 pounds net sugar as a carload and 1,600 pounds tare, or 16 pounds to the barrel, the allowance for tare is identical with the loss of \$7.52; so that in reality there is no loss.

Mr. MALBY. You say there is 1,600 pounds?

Mr. BELLIS. 1,600 pounds.

Mr. MALBY. At what rate? Let us see whether it is the same. You say it is \$7.52 loss per carload. Now, how do you figure it?

Mr. BELLIS. The tare is 2 cents.

Mr. MALBY. Two cents on 1,600 pounds?

Mr. BELLIS. It is not 1,600 pounds. It is on the entire carload, inclusive of the sugar, 37,600 pounds.

Mr. MALBY. Again I am stuck. I do not see any relation between the tare and the 2 cents absorption. If you can explain that, I will be glad to have you do so. I do not see any connection.

Mr. SULZER. This is on a carload of sugar, is it not?

Mr. BELLIS. That is per 100 pounds.

Mr. SULZER. Yes. \$7.52——

Mr. BELLIS. Is on the car.

Mr. SULZER. Is on the carload?

Mr. BELLIS. The carload.

Mr. SULZER. And a carload of sugar is approximately 36,000 pounds?

Mr. BELLIS. 36,000 pounds net.

Mr. SULZER. Net. That would make a differential which the American Sugar Refining Co. would get, of 2 cents a hundredweight?

Mr. BELLIS. Yes.

Mr. SULZER. Which would be \$7.52 a carload?

Mr. BELLIS. Exactly.

Mr. MALBY. We want to get something on record that we can see for ourselves. That is not really so, because instead of the American Sugar Refining Co. getting it, they pay it.

Mr. SULZER. That is what I am coming to. Now, the question is, Who gets that \$7.52? The railroad does not get it, does it?

Mr. MALBY. Surely they do.

Mr. SULZER. How does the railroad get it?

Mr. MALBY. They get it.

Mr. BELLIS. When the American Refining Co. sells a carload of sugar in Chicago, they charge the net cost of the sugar, they pay the freight rate and they pay the tare, and the tare on that is \$7.52.

Mr. SULZER. To whom do the American Sugar Refining Co. people pay the \$7.52? Do they pay it to the railroad?

Mr. BELLIS. They would pay it to the railroad, I would be under the impression.

Mr. SULZER. Do you know about that?

Mr. BELLIS. It should be. It is f. o. b. New York.

Mr. SULZER. Then if they pay it to the railroad the American Sugar Refining Co. loses that?

Mr. BELLIS. If they pay that \$7.52 tare to the railroad company they get it back.

Mr. SULZER. How do they get it back?

Mr. BELLIS. They get it back when you buy your sugar. If you are buying that carload of sugar in Chicago you pay for it.

Mr. SULZER. I understood you to say that they shipped the sugar f. o. b.?

Mr. MALBY. That is correct; they do.

Mr. BELLIS. The American Sugar Refining Co. pays the freight. The buyer is supposed to have the routing of that freight. He pays a net price, he pays the freight rate additional, and he pays the tare additional.

Mr. SULZER. Assuming what you have said to be correct, then explain to us how the American Sugar Refining Co. would get back this \$7.52 tare on a carload of sugar.

Mr. BELLIS. The sugar is sold on a Philadelphia basis; that is, the Philadelphia rate basis. That is a differential of 2 cents under New York, and that is a loss to the American Sugar Refining Co. of \$7.52.

Mr. SULZER. A carload?

Mr. BELLIS. A car; and the tare, of course, is \$7.52.

Mr. SULZER. How do you make that other \$7.52 tare? How do you arrive at that? Give us the figures.

Mr. BELLIS. This is already in the record; those figures are in the record. From Willett & Gray's Statistical Sugar Journal of April 20, 1911, there was a change in freight rates. They say that the American Sugar Refining Co. have issued the following notice:

APRIL 19, 1911.

Effective at once on all future new business, commencing at basis 4.90 cents less 2 per cent for cash for granulated, there will be a change in the prepaid basis to most of our shipping points, both in carload and less-than-carload shipments, caused by the readjustment of our tare schedule. On all old contracts the prepaid basis will apply on withdrawals.

We give below the additions now added for tare:

10 cents and under, $\frac{1}{2}$ cent.

10 $\frac{1}{2}$ cents to 14 $\frac{1}{2}$ cents, inclusive, 1 cent.

15 cents to 19 $\frac{1}{2}$ cents, inclusive, 1 $\frac{1}{2}$ cents.

20 cents to 24 $\frac{1}{2}$ cents, inclusive, 1 $\frac{1}{2}$ cents.

25 cents to 29 $\frac{1}{2}$ cents, inclusive, 2 cents.

30 cents to 39 $\frac{1}{2}$ cents, inclusive, 2 $\frac{1}{2}$ cents.

40 cents to 44 $\frac{1}{2}$ cents, inclusive, 3 cents.

45 cents to 54 $\frac{1}{2}$ cents, inclusive, 3 $\frac{1}{2}$ cents.

55 cents to 59 $\frac{1}{2}$ cents, inclusive, 4 cents.

60 cents to 69 $\frac{1}{2}$ cents, inclusive, 4 $\frac{1}{2}$ cents.

70 cents to 74 $\frac{1}{2}$ cents, inclusive, 5 cents.

75 cents to 84 $\frac{1}{2}$ cents, inclusive, 5 $\frac{1}{2}$ cents.

Missouri River, 1 cent added to bag rate for tare.

Mr. MALBY. Still you do not give us your mathematical calculation by which you arrive at \$7.52 tare between New York and Chicago.

Mr. SULZER. Let us see, now, Mr. Bellis, if we can not get this matter clear before the committee. It certainly is not clear to my mind, and I doubt if it is clear to Mr. Malby's mind.

Mr. MALBY. No; I am in a perfect haze about the tare. The other I understand very well.

Mr. SULZER. Yes; this tare is simply the difference in the charges on barrels, and it amounts to \$7.52 a carload?

Mr. BELLIS. Exactly. That is, a carload of 36,000 pounds.

Mr. SULZER. Yes; this \$7.52 is paid in the first instance by the manufacturer who ships the sugar, is it not?

Mr. BELLIS. Yes; it is.

Mr. SULZER. And it is paid by the manufacturer to the railroad, is it not?

Mr. BELLIS. It is.

Mr. SULZER. And then the railroad gives it back? The railroad does not keep that \$7.52, does it?

Mr. BELLIS. Yes.

Mr. SULZER. The railroad keeps it?

Mr. BELLIS. The railroad keeps it.

Mr. SULZER. Then it does not go back to the manufacturer?

Mr. BELLIS. The man that buys the sugar is obliged to pay that \$7.52 to the American Sugar Refining Co.

Mr. SULZER. Because the American Sugar Refining Co. charges in all that it pays out?

Mr. BELLIS. Yes.

Mr. SULZER. To transport the product from the factory to the purchaser, plus the price of the sugar?

Mr. BELLIS. I do not say, and I did not say, that the railroad gave it it back.

Mr. SULZER. That is the point I want to clear up. You are clear in your own mind that this \$7.52 paid by the railroad, and paid to the railroad in the first instance, is not returned by the railroad?

Mr. BELLIS. It is not returned by the railroad.

Mr. SULZER. That is a part of the railroad's charges?

Mr. BELLIS. That is a part of the railroad's charge.

Mr. SULZER. And the manufacturer who ships the goods pays it in the first instance?

Mr. BELLIS. Yes.

Mr. SULZER. And charges it up to the purchaser in his bill?

Mr. BELLIS. Yes.

Mr. SULZER. So that the purchaser finally pays the price of the sugar as a matter of fact, and the freight rate plus the \$7.52 tare?

Mr. BELLIS. Yes.

Mr. SULZER. That is pretty clear, is it not, Mr. Malby?

Mr. MALBY. It is not very clear to me.

Mr. SULZER. Let me ask you a question or two and see if I can get it clear. The railroad company charges a flat rate, plus the \$7.52 a carload for tare?

Mr. BELLIS. For tare.

Mr. SULZER. So that if the freight rate on a carload of sugar approximately 36,000 pounds net was \$1,800—

Mr. BELLIS. \$1,800.

Mr. SULZER. There would be an additional charge of \$7.52?

Mr. BELLIS. There would be the charge of the freight rate as well.

Mr. SULZER. I am talking about the freight rate; but there would be the additional charge of \$7.52.

Mr. BELLIS. For tare.

Mr. SULZER. For tare. Now, is that stated in the railroad's general classification of freight rates?

Mr. BELLIS. No; it is not.

Mr. SULZER. Why is not that stated in the classification?

Mr. BELLIS. I could not say why it is not stated in their tariff.

Mr. SULZER. The railroads publish their tariff rates?

Mr. BELLIS. They publish their tariff rates.

Mr. SULZER. And they never say anything about this?

Mr. BELLIS. They are supposed to charge, and their tariff quotes the rates, and of course they get them, and they are not supposed to lose 9 pounds. They have nothing whatever to say about that. They could not quote a lower rate.

Mr. SULZER. Does not the law compel the railroads, to-day, to publish the railroad tariff rates upon sugar?

Mr. BELLIS. They do. The law does compel them to.

Mr. SULZER. And are we to understand you to say that the railroads, notwithstanding the law, do not publish anything about tare?

Mr. BELLIS. They do not.

Mr. SULZER. Do you know why they do not?

Mr. BELLIS. No, I do not know why.

Mr. SULZER. Is that generally known amongst the shippers?

Mr. BELLIS. It is not.

Mr. SULZER. They have to pay it?

Mr. BELLIS. They have to pay it, yes.

Mr. SULZER. It is not always separated? Can they not sell sugar in New York to a man in Chicago and charge him 26 cents?

Mr. BELLIS. When he receives his bill from the American Sugar Refining Co., it is 26 cents a hundred pounds additional for the rate, when in reality they have absorbed that 2 cents difference, and made it for 24 cents, and inclusive of the tare, of the 2 cents absorption, of \$7.52, and the tare is \$7.52. It is not really necessary for the man that is paying the bill for the sugar to know it.

Mr. SULZER. Let us assume that Mr. A is in New York, a manufacturer of sugar, and he ships a carload of sugar of approximately 36,000 pounds to Mr. B in Chicago; how much freight would Mr. A have to pay on that carload of sugar from New York to Chicago?

Mr. BELLIS. Inclusive of the tare?

Mr. SULZER. No, exclusive of the tare.

Mr. BELLIS. Exclusive of the tare?

Mr. SULZER. Yes.

Mr. BELLIS. It would be sold on a Philadelphia basis, and that man would have to pay \$90.24 freight rate on that carload of 36,000 pounds, net.

Mr. SULZER. And in addition to that he would have to pay the \$7.52 tare?

Mr. BELLIS. For tare.

Mr. SULZER. Tare. Mr. A pays that in the first instance to get his product from New York to Chicago?

Mr. BELLIS. Yes.

Mr. SULZER. And when he sends the bill for a carload of sugar to Mr. B in Chicago, he charges in the bill, the price of the sugar, f. o. b. New York, and how much freight?

Mr. BELLIS. There would be \$90.24.

Mr. SULZER. \$90.24 freight, and \$7.52 tare?

Mr. BELLIS. And \$7.52 tare.

Mr. SULZER. So that it costs Mr. A, the manufacturer in New York, to send a carload of sugar to Mr. B, the purchaser in Chicago, the New York price of sugar on the day the sugar is shipped, and freight and tare, \$97.76 additional?

(At 1 o'clock p. m. the committee took a recess until 2.30 o'clock p. m.)

AFTER RECESS.

The committee reconvened at 3.50 o'clock p. m., Hon. Thomas W. Hardwick (chairman) presiding.

TESTIMONY OF MR. HARRY E. BELLIS—Continued.

(The last nine preceding questions and answers were read by the stenographer.)

Mr. BELLIS. That is correct as I answered before recess.

Mr. SULZER. Who, ultimately, has to pay for all this; that is, the freight charges and the tare?

Mr. BELLIS. The consumer eventually pays for it.

Mr. SULZER. The consumer has to pay it. So that it does not come out of the manufacturer or the railroad?

Mr. BELLIS. No.

Mr. SULZER. It comes out of the consumer?

Mr. BELLIS. It comes out of the consumer.

Mr. SULZER. In the last analysis?

Mr. BELLIS. Yes.

Mr. SULZER. Are the freight rates from New York, Philadelphia, Baltimore, and other points east to the Missouri River fair and just in your opinion?

Mr. BELLIS. I am not familiar with the character of service rendered by the carrier in that instance. The refiner of sugar would be

in a better position to tell whether that was a just rate than I am. I would say it is, however. The rate to St. Louis, Mo., the all-rail rate of 20 cents per hundred pounds, as compared with 42 cents a hundred pounds to Kansas City and Missouri River territory, I should say was somewhat unjust.

Mr. SULZER. Then there is considerable discrimination in freight rates between different sections of the country?

Mr. BELLIS. Yes, there is.

Mr. SULZER. And these discriminations are for the purpose, directly or indirectly, of preventing competition in those territories?

Mr. BELLIS. In many instances, yes. I would not say all.

Mr. SULZER. We are talking especially about sugar. It is so in regard to sugar, is it not?

Mr. BELLIS. In so far as sugar is concerned, a possibility exists that they would not sell sugar in Missouri River territory from an eastern refinery, but would leave that territory to New Orleans, which has a 10-cent lower rate per 100 pounds than the eastern territory, that is, on the New York basis.

Mr. SULZER. How are these matters arranged between the shippers and the railroads by which these discriminations as to certain territories are made?

Mr. BELLIS. Well, if there is a refinery in New Orleans, as there is, and one in Philadelphia and one in New York, there is a limited zone, on account of the high rate of freight, that each refinery could possibly ship to. There necessarily must be, unless there is an agreement of some sort between the railroads that would apply to one territory that all could serve. There naturally must be a center in the first place. For instance, with a refinery on four sides there must be a center that practically all of them could reach; but if those rates to that center are not identical it would be conclusive evidence, in my mind, that there were zones; in other words, that there were territories which were practically a concession to a refinery, to each refinery in a different location.

Mr. SULZER. You have looked into this matter pretty carefully, have you not?

Mr. BELLIS. I have tried to, in the limited time at my disposal.

Mr. SULZER. Have you got a table showing the zones and these freight rates and these discriminations?

Mr. BELLIS. As an illustration of it, take Cincinnati, Ohio. The rate from New York is 21 cents, from Philadelphia it is 19 cents, from Baltimore it is 18 cents, and from New Orleans it is 18½ cents. That is all rail. Rail and lake from New York is 19 cents, and from Philadelphia it is 17 cents. There is no rail-and-lake rate from Baltimore, on account of the comparatively short haul from Baltimore to Cincinnati via the Baltimore & Ohio Railroad. To Cincinnati from Owosso and Alma, points in the Michigan beet-sugar belt, the rate is 13 cents. Now, it would be a very difficult matter for a refinery located in Philadelphia, New York, Baltimore, or New Orleans to compete in Cincinnati, providing the prices for sugar were the same, unless there was an absorption of the freight rate by the refiner, as he pays the freight. Take it on the same basis to St. Louis. From New York, 1,059 miles, to St. Louis, there is a rate of 20 cents; from Philadelphia, 969 miles, a rate of 18 cents; from Baltimore, 963 miles, a rate of 18 cents; from Baltimore, 963 miles, 17 cents; and from New

Orleans, 710 miles, 17 cents. That is all rail. Rail and lake, New York is 18 cents, Philadelphia is 16 cents, Baltimore 15 cents.

Mr. SULZER. What is it to New Orleans?

Mr. BELLIS. To where?

Mr. SULZER. You said that that was the rail rate?

Mr. BELLIS. The first was all rail.

Mr. SULZER. And the latter——

Mr. BELLIS. Rail and lake.

Mr. SULZER. What is it from New Orleans to St. Louis, rail and water?

Mr. BELLIS. I have no rate on that.

Mr. SULZER. You have no rate on that?

Mr. BELLIS. No, sir.

Mr. SULZER. Proceed as you were going.

Mr. BELLIS. Owosso and Alma, Mich.; Owosso, 457 miles to St. Louis, and Alma, 495 miles to St. Louis, there is a rate of 16 cents a hundred pounds.

Mr. SULZER. These rates are all on 100 pounds of sugar?

Mr. BELLIS. On the 100-pound basis. From Michigan and from Baltimore and New Orleans, the former is 16 and the latter 17 cents. They are practically competitive.

Mr. SULZER. Where, in your opinion, from your examination, are the rates noncompetitive?

Mr. BELLIS. Where are they noncompetitive?

Mr. SULZER. Yes.

Mr. BELLIS. Missouri River territory is noncompetitive for Michigan, New York, Philadelphia, or Baltimore, practically New Orleans territory.

Mr. SULZER. What is the zone, now, that is comprised in the Missouri River territory?

Mr. BELLIS. North of the Arkansas and Oklahoma line, to a point about Topeka, Kans., to Lincoln, Nebr., and to a few points in southern Minnesota, and to the Mississippi River on the east.

The CHAIRMAN. Did I understand you to say that that was noncompetitive territory?

Mr. BELLIS. That is practically impossible, considering the fact that sugar——

The CHAIRMAN. I mean from the freight-rate standpoint?

Mr. BELLIS. From the freight-rate standpoint.

The CHAIRMAN. Does New Orleans have the advantage of anybody else?

Mr. BELLIS. Ten cents advantage.

The CHAIRMAN. So that if the beet-sugar people do get into that territory, or New York or Philadelphia get there, they must do so by absorbing 10 cents a hundred on the freight?

Mr. BELLIS. Exactly.

The CHAIRMAN. I just wanted to understand it.

Mr. SULZER. What would that be on a carload of sugar; \$30, would it not?

Mr. BELLIS. It would be \$36.

Mr. SULZER. \$36. Tell us, if you can, why that is so?

Mr. BELLIS. Well, it is an extremely difficult matter to tell why that is so, unless it be from the fact that the refineries in New York and Philadelphia have practically given that territory to the New Orleans refiners, as well as considerable of the southern territory where it would be impossible for eastern refineries to compete. For instance,

at Memphis the rate from New York is 38 cents a hundred pounds. To Nashville the rate is 36 cents from New York. Atlanta, Ga., has a rate of 39 cents. From New Orleans to Atlanta is 18 cents. It has a lower rate than that to Memphis and Nashville. I could not say what the rates from New Orleans to those two points are.

Mr. SULZER. In other words, in order to bring this about, there must be an understanding, expressed or implied, between the manufacturers and the railroads?

Mr. BELLIS. Exactly.

Mr. SULZER. Has that matter ever been brought to the attention of the Interstate Commerce Commission?

Mr. BELLIS. Not that I know of.

Mr. SULZER. Have you ever submitted any data to any of the Interstate Commerce Commissioners on that?

Mr. BELLIS. Not on sugar.

Mr. SULZER. Not on sugar?

Mr. BELLIS. Not on sugar; I have on a great many other things.

Mr. SULZER. You have prepared there a table or statement containing data in connection with this matter we are now discussing, have you not?

Mr. BELLIS. I have this table here that I spoke of when we were on the matter of the tare, which was put in the record at that point, showing the cost of sugar per carload, if it was purchased in Chicago, in St. Louis, and in Kansas City, from New York, Philadelphia, Baltimore, and New Orleans. I have endeavored to show there that on the Chicago basis they are practically all competitive. At St. Louis, of course, or even at Chicago, New Orleans has a slight advantage over Philadelphia and New York, but is identical with Baltimore. The same exists in regard to St. Louis, with reference to Baltimore and New Orleans, they being the same, with a little over \$3 advantage of Philadelphia and \$4 over New York per car.

At Kansas City there is a difference in Baltimore and New Orleans of approximately \$30 a car. The same rate applies to Kansas City as applies to the entire Missouri River territory. The same rate applies to St. Louis, Mo., as applies to Louisville, Ky., Evansville, Ind., Owensboro, Henderson, and Paducah, Ky., and points that are based on those rates.

Mr. SULZER. That shows the actual cost of car loads?

Mr. BELLIS. Yes.

Mr. SULZER. What remedy, if any, would you propose to do away with that discrimination?

Mr. BELLIS. That is rather a delicate question, as to what remedy I, myself, would propose, but I will give you my opinion, and I am willing to have it put in the record. I have written an article for a magazine along that line. I will say, however, that I would in the first place make a physical valuation of the railroads throughout the United States, using the unit system, such as they used in the State of Washington when they made the physical valuation of the railways there, confined to the State of Washington. I would separate terminals from the road charge, would affix a terminal charge in proportion to the value of those terminals, and I would place the road charges on a mileage basis on all traffic. I would change the classification from six classes to nine, and would put certain articles on the commodity basis, as, for instance, coal, if it were the class rate.

A class rate generally is higher than commodity, and it is necessary for coal to move; otherwise there would be a congestion of traffic, and the traffic would not move at all.

The same would apply to grain, it would apply to oil, it would apply to lumber. There are about 25 articles that could be put on a commodity basis. There were originally 25 when the present classification was made, but I do not know the number now, although it is considerably greater than that, there have been so many changes of rates since 1887.

Mr. SULZER. Will you tell us, if you can, why it is that the railroads in publishing their tariffs of freight rates do not mention the tare?

Mr. BELLIS. No, I can not. I do not know why they do not mention it.

Mr. SULZER. And yet that is a very important matter?

Mr. BELLIS. It is a very important matter, in my estimation.

Mr. SULZER. It amounts to \$7.52 on a car from the East to the Mississippi?

Mr. BELLIS. Yes.

Mr. SULZER. And nothing is ever said by the railroads in regard to that, in any of their published classifications?

Mr. BELLIS. Nothing that I have ever seen.

Mr. SULZER. And if it was in the published freight rates, of course, you would know about it.

Mr. BELLIS. In the first place, why it would not appear is because it is generally supposed that the railroad makes a charge on the gross weight, which in my estimation would be the fair way; but they do not charge on the gross weight of a carload of 100 barrels of sugar, or any number of barrels of sugar, when they charge but 16 pounds to the barrel, which is a loss of about 9 or 10 pounds, which means about \$2.34 a car; and when you come to consider the fact that there is about 166,000 carloads of sugar going out of New York alone, west, it amounts to quite something.

Mr. SULZER. Have you ever called the attention of the Interstate Commerce Commissioners to this matter?

Mr. BELLIS. No; I have not. It came to my attention only a short time ago.

Mr. SULZER. It would be a good thing to call their attention to it, do you not think so?

Mr. BELLIS. I think it would; yes.

Mr. SULZER. And all that money comes out of the pockets of the poor consumers?

Mr. BELLIS. That is a net loss for the carrier.

Mr. SULZER. How do you mean?

Mr. BELLIS. That \$2.34 a car, for the 9 pounds per barrel that is not charged.

Mr. SULZER. You do not mean to tell us that the railroad loses that money?

Mr. BELLIS. The railroad naturally must lose that money. I do not know who else would.

Mr. SULZER. Why would the railroad company lose that money?

Mr. BELLIS. That is impossible to tell you. You will have to ask a railroad man that.

Mr. SULZER. The matter is hazy to me. I do not understand it.

Mr. BELLIS. I do not understand, myself.

Mr. SULZER. If you have any figures, or can give us any information concerning it, I would like to have you do so, because I can not possibly conceive why the railroad company in the first place would not publish an honest tariff rate.

Mr. BELLIS. They are supposed to charge on the gross rate.

Mr. SULZER. And why they conceal, for some purpose or other, this tare, I do not understand. Now, if you can tell us why that is done, I would like to have you do so.

Mr. BELLIS. That just merely results in a discrimination to the American Sugar Refining Co. in favor of the American Sugar Refining Co. That is just what it amounts to.

Mr. SULZER. Of \$7.52 a car?

Mr. BELLIS. No; of \$2.34 a car.

Mr. SULZER. \$2.34 a car?

Mr. BELLIS. Yes.

The CHAIRMAN. How is it that the Federal Sugar Refining Co. does not get the same thing?

Mr. BELLIS. I do not know that that applies to the Federal. I used that because that is from that statement that I have; that is, a statement issued and published by the American Sugar Refining Co.

The CHAIRMAN. So if they get it and the Federal does not, of course that is a discrimination?

Mr. BELLIS. Naturally it would be. It would not be a discrimination if the Federal did receive it.

The CHAIRMAN. In other words, if one company gets it and the others do not, it is not only a discrimination being disclosed in the publication, but really is a violation of the law?

Mr. BELLIS. It is.

The CHAIRMAN. And you do not know whether the independent refiners get it or not?

Mr. BELLIS. I do not. That statement is issued and was published on April 20 in Willett & Gray's Journal.

The CHAIRMAN. Now, can you conceive that the American Sugar Refining Co. would be getting a secret rebate—that is what it amounts to, does it not?

Mr. BELLIS. Yes.

The CHAIRMAN. That the Federal and others were not getting, and that they would publish it in Willett & Gray's Sugar Journal?

Mr. BELLIS. Hardly.

The CHAIRMAN. So that they all must get it?

Mr. BELLIS. They all must get it. Suppose the American Sugar Refining Co.'s plant in Philadelphia have the same thing where the tare does not amount to so much as it does in New York?

The CHAIRMAN. The tare is less from Philadelphia?

Mr. BELLIS. The tare is less from Philadelphia.

The CHAIRMAN. Then would not this be true: If the American, having practically no competition at Philadelphia, and its real competition, whatever that competition is, being at New York, if anything the American Sugar Refining Co. would get a little the worst of that?

Mr. BELLIS. They would at New York; that is, if they did not absorb that.

The CHAIRMAN. They would get the worst of it so far as that Philadelphia business was concerned?

Mr. BELLIS. They would get the worst of it so far as that Philadelphia business was concerned.

The CHAIRMAN. Of course, they would come out just the same if everybody else is getting the same thing in New York.

Mr. BELLIS. If everybody else is getting the same thing in New York.

The CHAIRMAN. I did not want to bother you with those questions. I just wanted to see what it would lead to.

Mr. SULZER. So that it is your opinion, notwithstanding the law, that there is a secret understanding between the shippers of sugar and the railroad companies regarding secret rebates?

Mr. BELLIS. I do not know if an understanding exists, but it certainly appears to exist.

Mr. SULZER. It could not be unless it was understood?

Mr. BELLIS. No, not unless it was understood; hardly.

Mr. SULZER. Quite true; and in regard to the transportation of sugar, this \$2.34 tare is one of the ways railroad companies and the shippers have of defeating the law?

Mr. BELLIS. Exactly.

Mr. SULZER. You say you have never called the attention of the Interstate Commerce Commission to this matter?

Mr. BELLIS. I have not.

Mr. SULZER. You have another table there in connection with the matter we have under investigation. What is that table?

Mr. BELLIS. Which one do you mean?

Mr. SULZER. The one you have right before you now.

Mr. BELLIS. These were just some notes that I made to refer to. I have put the substance of this in the record already, so far as St. Louis and Indianapolis and Cincinnati are concerned.

Mr. SULZER. Is that true about shoes or drygoods, do you know?

Mr. BELLIS. Now, shoes are moved in a class; they are moved as first-class traffic.

Mr. SULZER. Is that true as to first-class traffic?

Mr. BELLIS. And first-class traffic to Philadelphia is 22 cents a hundred pounds from New York.

Mr. SULZER. What is it to Washington?

Mr. BELLIS. Thirty-three cents to Baltimore.

The CHAIRMAN. In other words, on first-class articles, articles embraced in the first classification, they charge more to haul it the longer distance than the shorter?

Mr. BELLIS. They charge more to haul it the longer distance than the shorter.

The CHAIRMAN. But on sugar, which is sixth class, I believe——

Mr. BELLIS. Sugar is not handled as class traffic over that line.

The CHAIRMAN. Oh, it is not.

Mr. BELLIS. It has a special tariff.

The CHAIRMAN. It has a special tariff?

Mr. BELLIS. It has a special commodity tariff.

The CHAIRMAN. In other words, is it not true that the railroads generally make this same discrimination that you speak of between the longer and shorter distances on the heavier classes, on the commodity traffic? In other words, mileage does not make so much difference; like you go from class one down to classes five and six, they will haul it 140 miles about as cheap as they will haul it 80 or 90 miles, just to illustrate it, on many of those classes?

Mr. BELLIS. On short hauls not so much. On long-haul traffic—for instance, traffic that would originate on the seaboard and be consigned to beyond the 60 per cent points, Buffalo and Pittsburg, which would be commonly known as long-haul traffic—it would have altogether a different aspect.

The CHAIRMAN. Yes.

Mr. BELLIS. But on traffic between those points there is not so much difference.

The CHAIRMAN. The idea was that if the freight was coarse and heavy, they would charge almost as much to haul it 100 miles as 150 miles?

Mr. BELLIS. Well, in coal——

The CHAIRMAN. Yes; we will take coal. Is that true of coal?

Mr. BELLIS. When they figure distances on coal from a coal region they as a general rule make an average from what is approximately the center of that district.

The CHAIRMAN. Yes; but I think I can get at what I have in my mind this way. I want to see if you confirm the impression that I acquired once from looking into some litigation on this matter, that where the freight is bulky and heavy and hard to handle, and the expense of getting it loaded, and one thing and another, was really a great part of it, the railroads will haul freight of that character pretty near as cheap 200 miles as 100 miles; it does not make so much difference about the distance, because the expensive part of it is the handling of it and loading it.

Mr. BELLIS. On the expensive commodities, such as coal and ore, the handling is all done by the man who is shipping, at the point of origin, and it is unloaded at its destination by the receiver. The railroad does not handle it and has no expense attached to it, other than that of switching the cars.

The CHAIRMAN. Is it not true with respect to certain heavy and coarse material that the railroad does handle and does load and unload?

Mr. BELLIS. I would not say on the short haul, because I have found so much difference. They haul cement 90 miles for \$1.35, and they haul it 124 miles for 80 cents.

The CHAIRMAN. That is on account of what is known as the distributing centers and competition centers?

Mr. BELLIS. That is your opinion, Mr. Chairman; but we have a different opinion on that, and that was the basis of the fight of the Maritime Exchange of Philadelphia and other associations against the Pennsylvania Railroad.

The CHAIRMAN. I am not saying, so far as the distance tariff of the railroads is concerned; I am not committing myself to any opinion on that question; but that is the theory on which it is based?

Mr. BELLIS. Yes.

The CHAIRMAN. For instance, let me give you an illustration. The railroads will give a shorter haul, probably, from New York to Atlanta, Ga., than they would from New York to some middle point 50 miles nearer New York than Atlanta, where there do not so many railroads come in. That is true, is it not?

Mr. BELLIS. Yes.

The CHAIRMAN. And that is based on the proposition that a great many railroads could compete to get the business at Atlanta, and

unless they put the rate down further at Atlanta, which is a distributing center, they would not get the business, whereas the little fellow, out on one line, they can do what they please with him?

Mr. BELLIS. You have not known them to do very much cutting at Atlanta, have you?

The CHAIRMAN. I have thought they did not do as much as they ought to. I do not know about that.

Mr. SULZER. Will you put into the record that statement you have prepared?

Mr. BELLIS. This one on Cincinnati and St. Louis?

Mr. SULZER. Yes.

Mr. BELLIS. If you will permit me, I have Pittsburg on the same basis, and I will put that in.

Mr. SULZER. Very well.

Mr. BELLIS. From New York to Pittsburg, 438 miles, the rate is 14 cents. From Philadelphia, 359 miles, it is 14 cents. From Baltimore, 342 miles, it is 13 cents. From New Orleans—I have not the distance—it is 30 cents. From Owosso, 362 miles, and from Alma, 400 miles, it is 15 cents.

Mr. SULZER. That is another confirmation of what you have testified about the zone system?

Mr. BELLIS. Yes.

The CHAIRMAN. It looks like the beet-sugar people do not get the advantage they ought to, on account of distance, there.

Mr. BELLIS. Yes.

Mr. SULZER. Put that in the record.

Mr. BELLIS. Very well.

(The table referred to is here printed in the record, as follows:)

From—	Miles.	To—	'All rail.	Rail- lake.
			<i>Cents.</i>	<i>Cents.</i>
New York.....	}	Cincinnati.....	21	19
Philadelphia.....			19	17
Baltimore.....			18	
New Orleans.....			18½	
Owosso.....	331	do.....	13	
Alma.....	369		13	
New York.....	818	Indianapolis.....	24	23
Philadelphia.....	728		22	20
Baltimore.....	523		21	
New Orleans (approximate).....	800		23	
Owosso.....	}	do.....	14	
Alma.....			14	
New York.....	1,059		20	18
Philadelphia.....	969		18	16
Baltimore.....	936	St. Louis.....	17	15
New Orleans.....	710		17	
Owosso.....	457	do.....	16	
Alma.....	495		16	
New York.....	438	Pittsburg.....	14	
Philadelphia.....	359		14	
Baltimore.....	342		13	
New Orleans.....			30	
Owosso.....	362	do.....	15	
Alma.....	400		15	

Mr. SULZER. Now, the next table that you have there, Mr. Bellis, will you be good enough to tell us about that?

Mr. BELLIS. I have this table on price here that I did not get in the record this morning, showing the comparative prices of granulated sugar at New York, Philadelphia, and New Orleans from January 5,

1911, to January 27, 1911, on the basis of 100 pounds. I find those prices identical, both list and invoice.

Mr. SULZER. What conclusion do you draw from that, if any?

Mr. BELLIS. That the prices of sugar are the same at those three points and that naturally a freight rate would have considerable to do with its distributing territory, would limit it at a certain point; that is, it would limit their territory.

Mr. SULZER. Will you be good enough to put that in the record?

Mr. BELLIS. Yes, sir.

(The table referred to is printed in the record, as follows:)

Comparative prices of granulated sugar at New York, Philadelphia, and New Orleans, weekly, from Jan. 5, 1911, to July 27, 1911, on basis of 100 pounds.

Week ending—	New York.	Philadel- phia.	New Or- leans.	Week ending—	New York.	Philadel- phia.	New Or- leans.
Jan. 5.....	\$4.80	\$4.80	\$4.80	Apr. 20.....	4.80	4.80	4.80
12.....	4.80	4.80	4.80	27.....	4.90	4.90	4.90
19.....	4.70	4.70	4.80	May 4.....	4.90	4.90	4.90
26.....	4.70	4.70	4.70	11.....	4.90	4.90	4.90
Feb. 2.....	4.60	4.60	4.60	18.....	4.90	4.90	4.90
9.....	4.60	4.60	4.60	25.....	4.90	4.90	4.90
16.....	4.60	4.60	4.60	June 1.....	5.00	5.00	5.00
23.....	4.60	4.60	4.60	8.....	5.00	5.00	5.00
Mar. 2.....	4.70	4.70	4.70	15.....	5.00	5.00	5.00
9.....	4.70	4.70	4.70	22.....	5.00	5.00	5.00
16.....	4.80	4.80	4.80	29.....	5.00	5.00	5.00
23.....	4.80	4.80	4.80	July 6.....	5.10	5.10	5.10
30.....	4.80	4.80	4.80	13.....	5.15	5.15	5.15
Apr. 6.....	4.80	4.80	4.80	20.....	5.25	5.25	5.25
12.....	4.80	4.80	4.80	27.....	5.45	5.45	5.45

NOTE.—List price, \$5; invoice price, \$4.90, less 2 per cent.
Above prices were subject to a 1 per cent discount from January 5 to March 30, inclusive, and from April 6 to July 27 to a discount of 2 per cent.

HARRY E. BELLIS, Philadelphia, Pa.

AUGUST 1, 1911.

Mr. SULZER. Now, take up the next table you have.

Mr. BELLIS. I think I have about all of them in there now, except that I wish to have a word to say with regard to Baltimore.

Mr. SULZER. Very well; proceed.

Mr. BELLIS. There has not been a refinery in operation in Baltimore for 10 years, approximately. I do not know just what the time is. I believe it has been testified to as 10 years. Wherever you will find a rate on sugar quoted—that is, in the tariff—it quotes a rate on sugar from New York and from Philadelphia, and you will find a rate quoted from Baltimore. I am speaking of railroads in particular which serve those three communities. It would not apply to the New York Central road, for instance. Philadelphia has a differential of 2 cents lower than New York. Baltimore has a differential of 3 cents lower than New York and 1 cent lower than Philadelphia.

The CHAIRMAN. That would seem to indicate that Baltimore would be the best place on the Atlantic coast to locate a refinery.

Mr. BELLIS. To locate a refinery.

The CHAIRMAN. But the difference is that ocean freight rates to Baltimore are not as reasonable, are they? Why is that difference made?

Mr. BELLIS. As to the ocean freight rates, I think you would have to consider what point they were coming from.

The CHAIRMAN. Suppose the sugar came from Cuba?

Mr. BELLIS. In my estimation the rate ought to be as low, if not lower, than New York.

The CHAIRMAN. Why do they allow that differential?

Mr. BELLIS. I do not know why they allow that differential.

The CHAIRMAN. What motive could prompt it?

Mr. BELLIS. Well, for instance, if a refinery in New York had a surplus of sugar, they could dump it on the Baltimore market at a lower price, and sell in territory that could not be touched by only New Orleans.

The CHAIRMAN. That could not be touched by what?

Mr. BELLIS. Except by another refinery other than those located at New Orleans.

The CHAIRMAN. Could they not touch it at Philadelphia?

Mr. BELLIS. They could not touch it. It has that 1 cent differential.

The CHAIRMAN. That 1 cent would keep them out?

Mr. BELLIS. Not only that, that is taking into consideration this fact. The rate on sugar is $8\frac{1}{2}$ cents to Baltimore, and if they cut the price of sugar 10 cents on the Baltimore market, and ship it to a western point, they not only have the advantage of $1\frac{1}{2}$ cents on the rate from New York, but they have the advantage of 1 cent on the differential, which would give them the opportunity to sell sugar $2\frac{1}{2}$ cents cheaper on the hundred pounds than from Philadelphia.

The CHAIRMAN. You say they could not absorb that 1 cent and do business there. Let me direct your attention to the fact that one of the largest sugar refiners in this country, C. A. Spreckels, president of the Federal Sugar Refining Co., has testified that his company does do business in Georgia, and a considerable business, too—I think possibly the volume of their business is as large as or larger than that of the American Sugar Refining Co. there—and in order to do it they absorb $6\frac{1}{2}$ points on the freight, the rate by rail and water from New York to Georgia points being $24\frac{1}{2}$ cents, and the rate from New Orleans to Georgia points being 18 cents.

Mr. BELLIS. Yes.

The CHAIRMAN. It looks like to me—I just want to see what your answer is to this proposition—if they can absorb $6\frac{1}{2}$ cents in Georgia and do business, that they are reasonably satisfied with, why could they not do it in Baltimore?

Mr. BELLIS. That would be evidence to my mind that there is a big margin of profit between the refiner and the wholesaler.

The CHAIRMAN. Yes; it would indicate that. But if there is that margin of profit, and they can absorb $6\frac{1}{2}$ points in Georgia with it, why could they not absorb one point in Baltimore?

Mr. BELLIS. They could absorb one in Baltimore, but the fact remains——

The CHAIRMAN. That they do not?

Mr. BELLIS (continuing). That it may be that they do not ship sugar out of New Orleans only when there is a surplus; and if there should be a surplus of 100,000 barrels of sugar, and they should dump it on the Baltimore market, and the next day advance the price 10 cents a hundred pounds, or, for instance, as they did on the last advance, 20 cents a hundred pounds, it would be a big advantage in favor of the Baltimore market.

The CHAIRMAN. Yes, as compared to others nearyby.

Mr. BELLIS. Yes, as compared to others. It would put them in territory that is only competitive for New Orleans.

Mr. SULZER. That is so on account of the water transportation?

Mr. BELLIS. What is so on account of the water transportation?

Mr. SULZER. New Orleans?

Mr. BELLIS. New Orleans to where?

Mr. SULZER. To Baltimore. You certainly do not mean to say that the railroad company——

Mr. BELLIS. I am referring to a point in the Middle West.

Mr. SULZER. Oh, yes.

Mr. BELLIS. For instance, St. Louis, Mo. There is a rate of 20 cents from New York, 18 cents from Philadelphia, and 17 cents from Baltimore?

Mr. SULZER. Yes.

Mr. BELLIS. If a man in Baltimore buys 100,000 barrels of sugar, we will say as an illustration, and the next day the price advances 10 points, he can sell on the St. Louis market $2\frac{1}{2}$ cents a hundred pounds under Philadelphia, and he can sell $1\frac{1}{2}$ cents a hundred pounds under the New Orleans market in St. Louis.

Mr. SULZER. So that that is the way they regulate the market?

Mr. BELLIS. I do not know that that is the way, but I am saying that that is the possibility.

Mr. SULZER. That is the fact?

Mr. BELLIS. That such is the case, and my understanding is that Baltimore is a very good sugar market, and I have been told that a man in Philadelphia can not buy over 500 barrels of sugar at one time, whereas in Baltimore he can buy 2,000 barrels at one time. It is a well-known fact in Philadelphia that the wholesaler in Philadelphia can not compete at points in the vicinity of Philadelphia with Baltimore on account of that 1 cent differential.

Mr. SULZER. You have got the table regarding those figures that you put in the record, have you not?

Mr. BELLIS. Regarding what figures, the $8\frac{1}{2}$ cents to Baltimore?

Mr. SULZER. Yes.

Mr. BELLIS. Here it is.

(The table referred to is printed in the record, as follows:)

Rate on sugar to—	From New York.	From Philadelphia.
	Cents.	Cents.
Philadelphia.....	$8\frac{1}{2}$	.....
Baltimore.....	$8\frac{1}{2}$	6
Washington.....	$8\frac{1}{2}$	$8\frac{1}{2}$

New York to Nashville, Tenn., 36; New York to Memphis, Tenn., 38; New York to Atlanta, Ga., 39.

Mr. SULZER. Have you any other figures there that you want to put in the record?

Mr. BELLIS. I have one here on distances, but I do not know whether you want it in the record or not. Possibly you have a great many of these distances here already in the record.

Mr. SULZER. Just tell us what that is.?

Mr. BELLIS. These are distances from New York to Chicago, from Philadelphia to Chicago, from Baltimore to Chicago, from New Orleans to Chicago, and so on.

Mr. SULZER. It seems to me those had better go in. I do not know whether we have them in the record now or not, but just put them in, and go along.

Distances.

	Miles.		Miles.
New York to Chicago.....	912	Kansas City to St. Louis.....	277
Philadelphia to Chicago.....	822	New York to Buffalo.....	443
Baltimore to Chicago.....	812	Philadelphia to Buffalo.....	431
New Orleans to Chicago.....	922	Baltimore to Buffalo.....	418
St. Louis to Chicago.....	293	New York to Pittsburg.....	438
Dubuque to Chicago.....	181	Philadelphia to Pittsburg.....	359
Omaha to Chicago.....	514	Baltimore to Pittsburg.....	342
Kansas City to Chicago.....	415	New York to Indianapolis.....	818
Buffalo to Chicago.....	540	New York to Columbus.....	630
Cleveland to Chicago.....	307	Philadelphia to Indianapolis.....	728
New Orleans to St. Louis.....	710	Philadelphia to Columbus.....	540
New York to St. Louis.....	1,059	Baltimore to Indianapolis.....	701
Philadelphia to St. Louis.....	969	Baltimore to Columbus.....	523
Baltimore to St. Louis.....	963		

HARRY E. BELLIS, *Philadelphia, Pa.*

Distances between—	Owosso.	Alma.
	Miles.	Miles.
Toledo, Ohio.....	112	150
Buffalo, N. Y.....	408	446
Chicago, Ill.....	356	394
Cincinnati, Ohio.....	331	369
St. Louis, Mo.....	457	495
Pittsburg, Pa.....	362	400

	Miles.		Miles.
Chicago to Denver.....	1,018	Buffalo to St. Louis.....	741
Chicago to Salt Lake City.....	1,765	Buffalo to Chicago.....	540
Chicago to San Francisco.....	2,636	Buffalo to Cleveland.....	183
St. Louis to Denver.....	932	Philadelphia to Harrisburg.....	103
St. Louis to Salt Lake City.....	1,679	Baltimore to Harrisburg.....	84
St. Louis to San Francisco.....	2,550	Harrisburg to Altoona.....	131
Chicago to Milwaukee.....	85	Baltimore to Altoona.....	223
Chicago to St. Paul.....	410	Philadelphia to Altoona.....	240
Chicago to Minneapolis.....	420	New York to Altoona.....	319
Boston to St. Louis.....	1,221	New York to Harrisburg.....	188
Detroit to St. Louis.....	488		

Mr. SULZER. In your opinion, is there a disposition on the part of the railroads to keep beet sugar out of the eastern market?

Mr. BELLIS. From the rate situation I am not familiar with beet-sugar prices. The price can affect the latitude of their market. As an illustration, as I showed you a few moments ago, the rate from the east, New York and Philadelphia, was 14 cents to Pittsburg and 13 cents from Baltimore and 15 cents from the Michigan beet-sugar field.

Mr. SULZER. That alone would be sufficient to keep the beet-sugar people out of that market, would it not?

Mr. BELLIS. Providing prices were on a standard basis.

Mr. SULZER. Have you any other tables or data there?

Mr. BELLIS. I have a statement here. As far as I have gone into the records of the Interstate Commerce Commission, I find that all commodities, that is the principal commodities that are essential to life and to manufacturing and industry, have advanced in price since 1891, with two exceptions, sugar and coffee.

Mr. SULZER. Sugar and coffee?

Mr. BELLIS. Sugar and coffee have not advanced in price; and likewise, railroad rates on all those commodities have advanced, and they have declined on sugar and coffee.

Mr. SULZER. I thought the price of coffee had materially advanced.

Mr. BELLIS. It may possibly have advanced in the last few months, but the general market price about that time, and along up to 1900, is far down under it.

Mr. SULZER. You will find that coffee has very materially advanced in price during the last six months.

Mr. BELLIS. That may be. Sugar has advanced considerably in price in the last few weeks.

Mr. SULZER. Yes. That is on account of this investigation?

Mr. BELLIS. Possibly so.

Mr. SULZER. Now, you have covered the field regarding rates on transportation east of the Mississippi River and the Missouri River. Have you given any time and attention to the rates west of the Mississippi River?

Mr. BELLIS. No, I have not. My time was too limited for me to get into that territory, and when I did try to obtain certain tariffs, it would have taken too long a search for at me the time, so that I did not go ahead with it.

Mr. SULZER. Are there any other data, or is there any other information, in your possession that you would like to give the committee?

Mr. BELLIS. I can not find in the files the tariffs of the Pennsylvania Railroad Co. a tariff that quotes a rate beyond the Mississippi River or its immediate vicinity. All rates beyond that are made on combination, either combination over Chicago or combination over one of the Mississippi River crossings, and the rate west of that is added to it, and occasionally they add an arbitrary, as well.

Mr. SULZER. Did you find that the manufacturers of sugar in the East shipped their product west of the Mississippi River and the Missouri River?

Mr. BELLIS. I have never examined the bills of the railroad companies, so that I could not say. There is a possibility that they may get it out there and then again there is a possibility that they do not. But if they do, it is necessary for them to absorb considerable in freight rate.

Mr. SULZER. Most of the territory west of the Missouri River is supplied with sugar by the beet sugar people and the cane sugar people from the Pacific?

Mr. BELLIS. Possibly so.

Mr. SULZER. Yes; but you do not know about the freight rates?

Mr. BELLIS. No; I do not.

Mr. SULZER. Covering that territory?

Mr. BELLIS. I do not. I have not had any opportunity to investigate them.

Mr. SULZER. Now, take it all in all, what is your opinion regarding the freight rates on sugar east of the Mississippi River and the Missouri River? Are they fair and just, or otherwise?

Mr. BELLIS. My opinion is that they have certain defined territories that can be served from respective points. If they have not, it is a case of either cutting the market or absorbing freight rates—neither of them very profitable.

Mr. SULZER. From your investigation do you believe that there is genuine competition between the sugar manufacturers of the East?

Mr. BELLIS. No; I do not believe there is competition that really amounts to anything amongst them, unless possibly the Federal in New York or one other independent refinery is cutting into the territory. But it is generally understood, I believe, that the American Sugar Refining Co. makes the prices and the rest fall into line, which would be natural for them to do if there was some sort of an understanding that such was to be the case.

Mr. SULZER. So, as a matter of fact, the consumers of sugar in the country are really at the mercy of one concern—the manufacturers of sugar?

Mr. BELLIS. In my opinion, yes.

Mr. SULZER. That is all.

(At 4.50 o'clock p. m. the committee adjourned until to-morrow, Saturday, August 5, 1911, at 11 o'clock a. m.)

No. 35

HEARINGS

HELD BEFORE THE

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE
AMERICAN SUGAR REFINING CO. AND OTHERS**

SATURDAY, AUGUST 5, 1911

HOUSE OF REPRESENTATIVES

**WASHINGTON
GOVERNMENT PRINTING OFFICE**

1911

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN
SUGAR REFINING CO.**

HOUSE OF REPRESENTATIVES.

THOMAS W. HARDWICK, *Chairman*

**FINIS J. GARRETT.
WILLIAM SULZER.
JOHN E. RAKER.
H. M. JACOWAY, JR.**

**GEORGE R. MALBY
J. W. FORDNEY.
E. H. MADISON.
A. C. HINDS.**

AMERICAN SUGAR REFINING CO.

SPECIAL COMMITTEE ON THE INVESTIGATION
OF THE AMERICAN SUGAR REFINING CO. AND OTHERS,
HOUSE OF REPRESENTATIVES,
Saturday, August 5, 1911.

The committee met at 3 o'clock p. m., Hon. Thomas W. Hardwick (chairman) presiding.

The CHAIRMAN. The chairman is compelled to be absent this afternoon, and I want to make the announcement that at the conclusion of the hearing this afternoon, the hearings will stand adjourned for the present, subject, of course, to be renewed at any time at the call of the chairman. We have only two more witnesses, and both of them have been pretty thoroughly examined, and there are just a few questions that Judge Raker wanted to ask both of them. I will ask the committee to excuse me for being absent.

TESTIMONY OF MR. HARRY E. BELLIS—Continued.

Mr. BELLIS. Judge Raker, before proceeding, may I be allowed to correct an error that I made yesterday?

Mr. RAKER. Yes; go ahead.

Mr. BELLIS. And at this time may I file this statement?

Mr. RAKER. That is a statement which you have prepared?

Mr. BELLIS. Yes.

Mr. RAKER. Let it be filed and go in the record.

Mr. BELLIS. It has been testified to previously, during Mr. Neill's testimony, by a Mr. Crawford, that the rates from New York to Philadelphia, Baltimore, Washington, and Alexandria, Va., were on a similar parity as sugar rates, and I investigated that feature this morning at the Interstate Commerce Commission, and investigated as to class rates

Mr. RAKER. What do you find from that investigation?

Mr. BELLIS. The first-class rate from New York to Philadelphia is 22 cents and to Baltimore is 34 cents. Yesterday I made the statement that the rate was 33 cents to Baltimore. I had in mind the first-class rate from New York to Harrisburg. The rate from New York to Washington is 37 cents and from New York to Alexandria, Va., is 44 cents.

From Philadelphia the rate to Baltimore is 23 cents, to Washington 28 cents, and to Alexandria, Va., 44 cents.

The class rates all go up on the long haul over the short haul, and in looking over the commodity tariffs, the tariffs on lumber and other forest products, the rate from Jersey City to Philadelphia

is \$1.70 per ton of 2,000 pounds, the rate from Jersey City to Baltimore is \$2.25 per ton of 2,000 pounds, and the rate from Jersey City to Washington is \$2.40 per 2,000 pounds.

Salt and sand both take fifth-class rate. Roofing material and rubber are both classified. Clay takes a fifth-class rate.

The rate on fertilizer from Jersey City to Philadelphia is 7½ cents per 100 pounds and from Jersey City to Baltimore is 10 cents per 100 pounds

Stucco plaster from Jersey City to Philadelphia is \$1.30 per ton of 2,000 pounds, from Jersey City to Baltimore \$1.70 per 2,000 pounds, from Jersey City to Washington \$1.90 per 2,000 pounds, and from Jersey City to Alexandria \$1.90 per 2,000 pounds.

Wall plaster from New York to Philadelphia is \$1.30 per 2,000 pounds, and from New York to Baltimore is \$1.90 per 2,000 pounds. The fact that within the classification alone there are over 9,000 rates would indicate that there was comparatively no traffic at all that was on a similar parity with the sugar rates, except one. The only ones that I was able to find from the tariff I had at my disposal were on cement from New York to Baltimore, Washington, and Alexandria, Va., 10 cents per 100 pounds. On these I have the authorities. They are all Pennsylvania Railroad Co. tariffs, and I have the tariff authorities.

Mr. RAKER. Is there any further statement you desire to make in connection with your testimony of yesterday?

Mr. BELLIS. None that I can recall right at this time. That occurred to me after having left here last night, that I had made a mistake on that 33 cent first-class rate from New York to Baltimore. I had Harrisburg in mind.

Mr. RAKER. Is there any special tariff rate from Brooklyn or the Jersey City side, or from Jersey City to Philadelphia, by the carload lot, on sugar, and then the reloading of any other product from Philadelphia to points West, that would make any difference in the handling of sugar?

Mr. BELLIS. There is a tariff in effect, which I believe is G. O.—I. C. C. 1678, but I would not speak positively on that question. It had passed out of my mind, or I would have investigated it at the Interstate Commerce Commission this morning. That is a tariff which, in connection with the movement of sugar to western points, permits sugar handled from Brooklyn refineries and from Jersey City refineries to be carried to Philadelphia on a basis of 5 cents a hundred pounds. That tariff does not quote that rate, but refers to another tariff. In fact, that was the tariff that led to considerable complication in obtaining rates on sugar, it being conclusive in my mind that there was some rate that had practically been varied or was mysterious in some way; and that is how I came to investigate the rates on sugar last January.

Mr. RAKER. What are the other commodities from the same points?

Mr. BELLIS. There is nothing as low as that. I have never found a rate in effect to be as low as that. That rate is 5 cents; and as the notation in the tariff reads—I could not quote it positively, but in substance it states—on shipments of sugar in carload lots from Brooklyn and Jersey City it does not apply, I understand, from the Brooklyn eastern terminal. It applies from the Pennsylvania station in Brooklyn.

Mr. RAKER. Yes.

Mr. BELLIS. And it is lightered by the Pennsylvania Railroad Co., and they receive, in the net, the difference of that 5 cents. But they can take that carload of sugar, as the tariff clearly, to my mind, indicates, to Philadelphia, take that sugar out of the car at Philadelphia or any part of that sugar, and reload other sugar, either entire or in part, and reship to western points.

Mr. RAKER. Now, what advantage would that give to the sugar refining company in its freight?

Mr. BELLIS. For instance, there are no soft sugars refined in Philadelphia. That would enable them to ship soft sugar in that manner to Philadelphia, and remove it from the cars and put granulated sugar in, and take it west on the Philadelphia basis.

Mr. RAKER. And that would give them an advantage of how much?

Mr. BELLIS. That would give them an advantage of $3\frac{1}{2}$ cents, the difference between 5 cents and $8\frac{1}{2}$ cents. The real net rate to the Pennsylvania Railroad Co. would be even less on account of the lighterage from Brooklyn. From Jersey City would be a flat 5-cent rate.

Mr. RAKER. If there was a good deal of sugar, then, shipped, it would amount to a great advantage over those that are refining sugar in Philadelphia?

Mr. BELLIS. Yes; it would. That is the tariff alone found in the files of the Pennsylvania Railroad. The Philadelphia & Reading and the Baltimore & Ohio have no such tariff.

Mr. RAKER. Speaking yesterday of the tare permitted or allowed in the shipment of sugar from New York, did I understand you to state that about one-third of the quantity of sugar shipped was delivered to each of three railroads that left New York?

Mr. BELLIS. About one-third of the west-bound traffic out of New York is sugar.

Mr. RAKER. Is sugar?

Mr. BELLIS. Over the Brooklyn railroads.

Mr. RAKER. How is that divided, if you know? Do you mean one-third in tonnage to each road?

Mr. BELLIS. One-third of the entire tonnage is sugar.

Mr. RAKER. Going west?

Mr. BELLIS. Going west. That would be beyond the 60 per cent points, such as Buffalo and Pittsburg. I found also, in looking over, for a number of years, the traffic conceded to the various trunk lines, members of the Trunk Line Association, a similar parity for each year of the per cent of the traffic. Its range was comparatively small, and particularly on the three big trunk-line railroads, the Illinois Central, the Pennsylvania, and the Baltimore & Ohio.

Mr. RAKER. How did that average, from your investigation, for the number of years, each one?

Mr. BELLIS. The New York Central would be between 30 and 33, the Pennsylvania between 29 and 32, and the Baltimore & Ohio is considerably lower than that; but I always believed that from the fact that they had practical control at Baltimore, and also got into Philadelphia, it would be impossible to give them any such amount of traffic as that if there was any agreement existing, and it is generally understood that there does exist an agreement in the Brooklyn Association. Naturally, Baltimore would not have the per cent of the

traffic that would be credited to the Pennsylvania and the New York Central.

Mr. RAKER. Yes.

Mr. BELLIS. But also, going further than that, the New York Central & Hudson River Railroad Co., about one-third of their traffic west bound is sugar. That is the case of a third, and a third, and a third. If one-third of the west-bound traffic is sugar, and the New York Central's division is one-third, and one-third of her traffic were sugar, it would, to my mind, indicate that there must be some hand that worked underneath that was regulating the movement of sugar that can divide between these three trunk lines each one-third of the entire tonnage. I am referring merely to the New York Central & Hudson River Railroad.

Mr. RAKER. I see.

Mr. BELLIS. The per cent of the tonnage on the other lines varies, though the Pennsylvania and New York Central are practically on a parity.

Mr. RAKER. Did I understand from your testimony that each one of these three companies which are hauling this quantity of sugar allows about 8 cents for tare? Was it 8 cents?

Mr. BELLIS. Eight cents tare?

Mr. RAKER. Yes. In other words, for the weight of the barrel?

Mr. BELLIS. So far as the weight of the barrel goes, out of New York it is 2 cents, fixed on the rate; that is 2 cents on the New York to Chicago basis. The tare would be 2 cents per hundred pounds, which would amount to \$7.52 per car.

Mr. RAKER. Per car. Now, what I want to know is, does that apply to each one of these lines?

Mr. BELLIS. That applies to all sugar traffic.

Mr. RAKER. To all sugar traffic?

Mr. BELLIS. Not that 2 cents, you understand. There is a graduated scale that ranges from $1\frac{1}{4}$ to $1\frac{1}{2}$, I believe—it is all in the record and I have not that before me—up to $5\frac{1}{2}$ cents.

Mr. RAKER. If they charged the full weight, how much would it be?

Mr. BELLIS. The full weight of the barrel?

Mr. RAKER. Yes.

Mr. BELLIS. \$2.34 additional on the car, on the gross weight of 100 barrels of sugar; \$2.34 would be the additional revenue to the carrier upon 100 barrels of sugar.

Mr. RAKER. Who gets the benefit of that?

Mr. BELLIS. The shipper of the sugar, I suppose.

Mr. RAKER. Taking the amount of shipments that would go out of New York in a year, how much would that amount to?

Mr. BELLIS. Approximately 800,000 tons of sugar go West, according to my understanding. I believe that is in the testimony already.

Mr. RAKER. Yes.

Mr. BELLIS. Nine pounds would be the equivalent per barrel; and each 100 barrels would be 900 pounds per car, which would be \$2.34 per car; 800,000 tons of sugar, figuring that there is 36,000 pounds net to the car, would mean 47,659 cars, or \$112,122.06 net loss to the railroads.

Mr. RAKER. How much?

Mr. BELLIS. \$112,122.06.

Mr. FORDNEY. A car is 36,000 pounds on the average?

Mr. BELLIS. Thirty-six thousand pounds is the net weight of 100 barrels of sugar. That is about what is considered a carload of sugar.

Mr. FORDNEY. Thirty-six thousand pounds is the average shipment of sugar in a car?

Mr. BELLIS. That is my understanding. It has been testified to previously by several witnesses.

Mr. FORDNEY. That would be 18 tons?

Mr. BELLIS. Eighteen tons. The minimum is 33,000 pounds.

Mr. RAKER. I believe you explained fully the practical territorial division so far as freight is concerned on Michigan and New Orleans and St. Louis and Kansas City, did you not?

Mr. BELLIS. Yes.

Mr. RAKER. You have given them in detail so that one may gather the rates both coming and going to each one of the points?

Mr. BELLIS. I have, and I filed statements of rates.

Mr. RAKER. And also to New York, Philadelphia, and Baltimore?

Mr. BELLIS. To New York, Philadelphia, and Baltimore; yes.

Mr. RAKER. Now I will ask you whether or not, from your investigation, there is any limit upon the amount of sales from New York of the American Sugar Refining Co. to Philadelphia?

Mr. BELLIS. I understand that 500 barrels is the limit.

Mr. RAKER. Is there any limit on Baltimore; and if so, what?

Mr. BELLIS. Two thousand barrels.

Mr. RAKER. Would not that give the American Sugar Refining Co. an advantage by thus limiting Philadelphia to 500 barrels and permitting 2,000 barrels to be sold at Baltimore?

Mr. BELLIS. In regard to the handling and sale of that sugar from Baltimore under the rates that are fixed if the refinery were to sell 2,000 barrels of sugar in Baltimore and 500 barrels in Philadelphia and the next day advance the price of sugar 10 cents a hundred pounds Philadelphia could sell 500 barrels of sugar and Baltimore could sell 2,000 barrels of sugar in territory that Philadelphia could not compete on, owing to the fact that there would be $1\frac{1}{2}$ cents less, after paying the $8\frac{1}{2}$ -cent rate to Baltimore, and that, with the 1-cent differential, would enable them to sell 1,500 barrels of sugar in competition with Philadelphia $2\frac{1}{2}$ cents a hundred pounds lower.

Mr. RAKER. That could be easily arranged?

Mr. BELLIS. It could be arranged.

Mr. RAKER. And by virtue of the rate from Baltimore, it would give Baltimore an opportunity to ship that sugar west, even, at a profit?

Mr. BELLIS. It would.

Mr. RAKER. And it would give the shipper, if it was the American Sugar Refining Co., a practical control?

Mr. BELLIS. A practical control.

Mr. RAKER. By virtue of the rise in the sugar, and the freight rates, the difference between New York and Philadelphia, and then Baltimore, by virtue of Baltimore having a limit of 2,000 barrels and Philadelphia only having 500 barrels?

Mr. BELLIS. Exactly.

Mr. RAKER. Can you tell me whether or not that has been done to any extent?

Mr. BELLIS. My understanding is that it has been done, and it is generally understood that Baltimore is a very good sugar market.

My opinion is that if there were a surplus of, say, 100,000 barrels of sugar at New York, it would be a matter of no consequence to ship those 100,000 barrels of sugar to Baltimore and pay the rate of 8½ cents a hundred pounds, and the next day advance the price of sugar and sell that sugar in territory that no other refinery could possibly compete with, other than New Orleans, and in many points that New York and Philadelphia can not compete in, in New Orleans territory, it would enable Baltimore to compete in New Orleans territory.

Mr. RAKER. And that would, to the extent named, give the American Sugar Refining Co. an opportunity practically to control that market?

Mr. BELLIS. Exactly.

Mr. BAKER. As to the price?

Mr. BELLIS. As to the price.

Mr. RAKER. Now, just going back; a question has been handed me, and I will ask you if there is anything in it. Is it a fact that the railroads charge a flat rate on the gross weight of sugar and barrels and make no difference between sugar and tare? Is that a fact?

Mr. BELLIS. That they charge on what?

Mr. RAKER. That the railroads charge a flat rate on the gross weight of sugar and barrels and make no difference between sugar and tare in their charge?

Mr. BELLIS. I would not say that. The rate is 26 cents a hundred pounds. If such were the case, and the American Sugar Refining Co. were absorbing that difference, that 9 pounds in a barrel would be so much net loss to them, but I can hardly conceive of that, when they are charging up.

Mr. RAKER. In other words, this tare matter that you have been speaking about really does not concern the railroads or their figures in the matter, but it is something that the refineries figure out and allow and charge their consignees for?

Mr. BELLIS. Yes.

Mr. RAKER. And it really has nothing to do with the railroads; is that the true condition?

Mr. BELLIS. If the railroad company accepts those sugars as 1,600 pounds in the carload, and my understanding is that there is 37,600 pounds that is generally charged, that being 1,600 pounds tare and 36,000 pounds net weight of the sugar, that would be, in that event, a direct loss to the railroad. Otherwise it would be absorption in part by the refiner shipping the sugar.

Mr. RAKER. You say that the railroads charge a flat rate on sugar, and a tare, supposing it weighs so much to the car; the whole car would weigh so much?

Mr. BELLIS. Yes, I understand that.

Mr. RAKER. Suppose they are shipping from New York to Chicago, they make a deduction on tare; but that is handled by the refineries themselves, either by absorbing it or by charging it to the customers that buy the sugar?

Mr. BELLIS. The sugar refining company places the barrel and puts the sugar in it, and they know the weight of the sugar.

Mr. RAKER. Yes.

Mr. BELLIS. Say they put 360 pounds in a barrel. At 16 pounds for tare, that makes 376 pounds, and the railroad company accepts

their weight. That is my understanding. That would mean, in that event, a direct loss to the carrier of \$2.34 a car on that tare. That is my understanding. If I am mistaken I want to be enlightened on it, because I do not want to make any misstatement.

Mr. RAKER. All I want is for you to give it as you understand the situation.

Mr. FORDNEY. Is not the tare marked on each barrel?

Mr. BELLIS. Exactly; 16 pounds.

Mr. FORDNEY. Whatever it is. The barrel is weighed before the sugar is put into it, and then the paper that is put around the sugar is weighed and then the tare is marked on the end of the barrel, together with the weight?

Mr. BELLIS. My understanding is that 16 pounds is marked on the end of the barrel. I may be wrong. I believe it has been testified to before by other witnesses, as to how that was done. I am not familiar with how sugar is shipped; that is, with how it is taken from the refinery, or its marking.

Mr. FORDNEY. I will say, for the benefit of the committee, that you may be right so far as the refineries are concerned. I have been in a beet-sugar factory and have watched them put up sugar in the barrels. The barrel and the paper in the barrel that goes around the sugar are first put upon the scales and weighed. Then the barrel is filled with the sugar, and the total weight is taken, and the weight of the barrel is put upon the head of the barrel in large pencil. I have purchased sugar at home, and the weight of the barrel and the weight of the total is put on there, and one deducted from the other is generally on the barrel; the total weight and the tare.

Mr. RAKER. What I was getting at is this: The American Sugar Refining Co. shipping from New York places a weight on the barrel which is from 7 to 8 pounds less than the real weight, and the railroads permit them to thus send it?

Mr. BELLIS. That is my understanding.

Mr. RAKER. And they charge the entire weight, what the barrel really is and the weight of the sugar.

Mr. BELLIS. Yes, exactly.

Mr. RAKER. Yes.

Mr. JACOWAY. What is your authority for that? How do you reach that conclusion?

Mr. BELLIS. That has been given to me by gentlemen who have been interested in the sugar business for a number of years.

Mr. JACOWAY. Could you give the names of the parties?

Mr. BELLIS. Mr. Neill has already testified. He is one of them. He has been interested in sugar for 20 years.

Mr. JACOWAY. Yes.

Mr. BELLIS. And several others that I could not just recall at this time; and I have always understood that such was the case. As I say, that is as I understand it. I do not know. But if they do pay, as I have said, on the gross weight, entire, of sugar and barrel, regardless of what that weight is, then it is no direct loss to the carrier, but it is an absorption by the refinery.

Mr. JACOWAY. What other authority can you give there that you have discussed this matter with besides Mr. Neill?

Mr. BELLIS. Well, I could not give any.

Mr. JACOWAY. That is all.

Mr. RAKER. I think he has explained that point. Do you want to ask him any further questions right on that point now?

Mr. FORDNEY. No.

Mr. RAKER. While it is in your mind?

Mr. FORDNEY. No.

Mr. BELLIS. Of course if I am wrong in my views in the matter, I am certainly willing to concede the point if somebody can tell me just what is right.

Mr. FORDNEY. I do not know that you are wrong. I only spoke of the beet sugar. That is the manner in which it is marked on the barrel there—the total weight—and tagged with the amount of the tare on there.

Mr. RAKER. Yes; that is the way they do in Michigan.

Mr. FORDNEY. Yes.

Mr. RAKER. I was asking the witness how they did in shipping their sugar from New York.

Mr. FORDNEY. Yes.

Mr. BELLIS. I have never seen it myself, and naturally could not testify as to just how they do it, but, as I have been told, that is the way they do it.

Mr. RAKER. I see.

Mr. BELLIS. But whether that is an absorption by the refinery or whether it is a concession by the carrier to the refinery I could not state positively.

Mr. RAKER. Do you know whether or not there is any difference in the rate, for instance, in shipping from Michigan or any point like that to New York and Boston and shipping from Michigan to Liverpool?

Mr. BELLIS. Exporting?

Mr. RAKER. Exporting; yes.

Mr. BELLIS. From Minneapolis they ship flour, bring it over the Lakes and by rail to Boston, unload it from the cars, load it into the steamer, and carry it to Liverpool for 26½ cents a hundred pounds.

Mr. FORDNEY. From Minneapolis?

Mr. BELLIS. From Minneapolis to Liverpool. They bring sugar by the same route on the domestic rate, and put it in Boston for 27 cents. In other words, you can ship flour from Minneapolis to Liverpool for one-half a cent cheaper than you can put it on the docks at Boston.

(NOTE.—It appeared later in the hearing that Mr. Bellis unintentionally used the word "sugar" in the above answer, and that he intended to use the word "flour" in both instances. See page 2856.)

Mr. FORDNEY. Are flour and sugar the same class freight?

Mr. BELLIS. No; I would not say that they are.

Mr. RAKER. Do you know what the rate would be on the flour if the flour was dumped on the docks and was not an export shipment?

Mr. BELLIS. It would be the domestic rate, as I said before. One took the domestic rate and the other the export rate. The export rates are generally lower.

Mr. RAKER. The export rate from Minneapolis to Liverpool would be 26½ cents and the local or inland rate to Boston would be 27 cents?

Mr. BELLIS. The rate to Liverpool would be 26½ cents and the rate to Boston would be 27 cents.

Mr. FORDNEY. On flour?

Mr. BELLIS. On flour.

Mr. FORDNEY. Judge Raker, it might be possible that the two commodities are not in the same class of freight.

Mr. RAKER. I was going to ask him that.

Mr. BELLIS. The one takes an export rate there, and the other takes a domestic rate. It is a commodity rate, not a class rate. Sugar also is a commodity rate; but of course the rates on commodities vary.

Mr. FORDNEY. Will you pardon me for one question, Judge?

Mr. RAKER. Sure; go right ahead.

Mr. FORDNEY. If it was the domestic rate on both sugar and flour, are the two in the same freight rate class?

Mr. BELLIS. Well, if you ship sugar from New York to Minneapolis, it will cost you 33 cents a hundred pounds.

Mr. FORDNEY. How about flour?

Mr. BELLIS. They do not ship flour from New York to Minneapolis, and they do not ship sugar from Minneapolis to New York.

Mr. RAKER. They must have a rate, though, do they not?

Mr. BELLIS. No, they do not have a rate.

Mr. FORDNEY. No rate on flour from New York west?

Mr. BELLIS. They would have no rate. There is no tariff that I know of. As to the rates on flour, flour is as a general rule classified except from those points where flour is the product and it is natural that it should be sent.

Mr. FORDNEY. What I want to get at is whether, if sugar and flour are shipped from the same point, one going to a domestic point and the other to a foreign point, both of those articles carry the same class of freight?

Mr. BELLIS. There is a vast difference in the amount of freight charged on the various classes of freight.

Mr. RAKER. That is what I wanted the witness to explain.

Mr. BELLIS. Neither of them takes a class rate; and, again, you can say that both of them do on short hauls. For instance, on sugar out of New York, out of—Philadelphia, or out of Baltimore to a point, Marysville, Pa., 21 miles west of Harrisburg, all traffic east of that point, east of Marysville to all intermediate points, and on the Cumberland Valley Railroad, take a class rate. That is on sugar. But if you get beyond that point, Marysville, through Marysville and beyond Marysville to western Pennsylvania or western New York, or the far West or South, it takes a commodity rate. Now, whether flour out of Minneapolis to points in Minnesota or Wisconsin, intermediate points, takes a class rate or not, I do not know. I am not familiar with the western classification which that would be in.

Mr. GARRETT. Did I understand you to say that flour shipped from Minneapolis to Liverpool takes a rate of 26½ cents?

Mr. BELLIS. Takes a rate of 26½ cents.

Mr. GARRETT. And that same flour, if stopped at Boston, takes a rate of 27 cents?

Mr. BELLIS. Yes, exactly.

Mr. GARRETT. What is the rule as regards sugar; is there any rate on sugar from Minneapolis to Liverpool?

Mr. BELLIS. I do not know that they would really be called on to ship sugar from Minneapolis to those points abroad.

Mr. RAKER. The question is, is there a rate?

Mr. BELLIS. I am not familiar with that fact, but I could almost positively state that there is no rate. Whether a carrier would make one or not is another question.

Mr. GARRETT. I think perhaps some of the confusion that appears to be in the minds of the committee—I know that it confused me for some time—arises from the fact that you made a slip of the tongue and used the word “sugar” instead of “flour” in your first statement in regard to the shipments to Boston and to Liverpool. You stated that the export rate on flour was 26½ cents, while the rate on “sugar” would be 27 cents.

Mr. BELLIS. I meant to say flour. In both cases it was flour.

Mr. RAKER. Have you not any rate on sugar from Minneapolis or those points, to Boston?

Mr. BELLIS. Oh, no.

Mr. RAKER. None at all?

Mr. BELLIS. I have none, and I do not believe there is one in effect. I think there is no question about it.

Mr. FORDNEY. They do ship sugar from Michigan to Boston?

Mr. BELLIS. Yes; I understand that they do that; but of course Minneapolis would not be any distributing center.

Mr. GARRETT. Of course there is no beet sugar exported from this country?

Mr. BELLIS. Oh, I do not hardly think there would be. My understanding is that they import it rather than export it.

Mr. RAKER. Have you gone over the rates in relation to the shipping of sugar from Owosso and Alma, and then from New York to those points?

Mr. BELLIS. Well, one tariff of the Pennsylvania Railroad Co. alone quotes 212 or 221 rates to points in Michigan. That is, it quotes that number of rates to that point.

Mr. RAKER. Different rates?

Mr. BELLIS. No; it quotes to that many points the identical rate. In other words, the rate on sugar from New York, Philadelphia, and Baltimore is a blanket rate that covers Michigan, Wisconsin, and a number of points—21, I believe—in Minnesota, St. Paul and Minneapolis included. The rates are 33 cents from New York, 31 cents from Philadelphia, and 30 cents from Baltimore.

Mr. RAKER. How is it coming the other way, now, to these points; from Michigan toward New York and Philadelphia and Baltimore?

Mr. BELLIS. The rate is 15 cents to Pittsburg, 15 cents to Buffalo, and into what is known as the 60 per cent points—that is, points that are based on Buffalo and Pittsburg, or in the immediate vicinity. The tariff that I had in connection with the Pennsylvania Railroad, with the Ann Arbor and Pennsylvania Railroad Cos., quoted no rates east of Oil City.

Mr. RAKER. It did not?

Mr. BELLIS. No, not on the Pennsylvania Railroad tariff.

Mr. RAKER. Now, if a man was in Michigan, and desired to ship sugar from Owosso and Alma and those other factories, some of which you have named, and the other points, to Pittsburg, could he compete? Could he deliver his sugar there and compete with the man who shipped sugar from Baltimore to Pittsburg?

Mr. BELLIS. The rate is 14 cents from New York. The rate is 14 cents from Philadelphia, and it is 13 cents from Baltimore.

Mr. RAKER. Yes.

Mr. BELLIS. He could not compete with those points providing there was a standard price on sugar.

Mr. RAKER. What is the rate now from, say, Alma or Owosso and other Michigan points to Pittsburg? Do you know?

Mr. BELLIS. Fifteen cents.

Mr. RAKER. Fifteen cents?

Mr. BELLIS. Fifteen cents.

Mr. FORDNEY. How much is it to New York?

Mr. BELLIS. New York is 14 cents.

Mr. RAKER. Then, if one shipped sugar from Michigan to Pittsburg, he would have to absorb the difference in the freight rate, would he not?

Mr. BELLIS. He would.

Mr. RAKER. And it would be pretty hard to compete—I mean, a Michigan man sending his sugar to Pittsburg with a man sending it from Baltimore to Pittsburg?

Mr. BELLIS. The Michigan man would have to absorb the rate.

Mr. RAKER. The difference in the rate would have to be absorbed by him so as to get his sugar into the market at Pittsburg?

Mr. BELLIS. Exactly.

Mr. FORDNEY. That difference is 7 cents a barrel, I believe?

Mr. RAKER. Something like that.

Mr. FORDNEY. It is 2 cents a hundred pounds—the difference between 13 and 15 cents.

Mr. BELLIS. The difference between Baltimore and Owosso is 2 cents. The difference between New York and Philadelphia and Michigan points would be 1 cent.

Mr. RAKER. Is that allowance sufficient to prevent competition?

Mr. BELLIS. Well, I would think so.

Mr. RAKER. I think so. Have you any other table on this subject that you have not given in for the record, Mr. Bellis?

Mr. BELLIS. I do not think I have.

Mr. RAKER. I think I have covered all the matters that I desired to.

Mr. JACOWAY. How long have you studied the question of freight rates?

Mr. BELLIS. I was connected with railroad companies, the Lehigh Valley and the Central of New Jersey, for about four years, from 1899 to 1903.

Mr. JACOWAY. Is that the extent of your experience?

Mr. BELLIS. And then afterwards I have always kept very close to the subject, up to about four years ago, when I became interested in rate cases, and since that time I have assisted in the preparation of a great many cases before the commission. In the recent rate advance case I represented 35 associations.

Mr. JACOWAY. Then for a period of 10 or 12 years you have given it your undivided and strict attention?

Mr. BELLIS. I have given it practically a closer study than the average, and in the last four years it has been my particular hobby.

Mr. JACOWAY. What is your age?

Mr. BELLIS. Twenty-nine.

Mr. JACOWAY. That is all.

Mr. FORDNEY. Has the Interstate Commerce Commission got any control over this discrimination in rates for export and domestic use, say, from Minneapolis to Boston, that you gave, 1½ cents a hundred pounds on the flour?

Mr. BELLIS. I do not altogether know that I would care to reply to that, as I am interested in a case that is coming up in the fall.

Mr. FORDNEY. That is a matter that has not yet been tried?

Mr. BELLIS. That matter will very likely settle that matter for a few years, at any rate.

Mr. FORDNEY. That is all.

ADDITIONAL TESTIMONY OF MR. TRUMAN G. PALMER.

Mr. RAKER. Mr. Palmer, you will furnish to the committee, will you, the export price of sugar from Hamburg from 1907 up to, say, July, 1911?

Mr. PALMER. Yes; I have those data, Mr. Chairman. There is a remark or two that I want to make on it.

Mr. RAKER. All right. You already have the data, have you?

Mr. PALMER. Yes.

Mr. RAKER. Make your remark and then give us your information on it.

Mr. PALMER. Mr. Hardwick's impression was that the duty added 100 per cent to the export price of first-mark German granulated sugar at Hamburg. It perhaps did during a portion of the number of years which he had in his table, running from 1900 to 1907. During some of those years the price of sugar was very low; but taking the present price of first-marks granulated sugar from Hamburg the tariff adds but about 50 per cent.

In going over Willett & Gray and giving the committee the figures for 1907 to 1910, I am unable to justify my figures for 1907 with the figures which Mr. Hardwick had. The difference is slight, but evidently comes from one or the other of us not carrying the decimals out far enough. I carried them out for five points. For instance, he makes the export price of first-mark sugar in 1907, \$2.40. My figures come out \$2.386, a little lower than his. On the raw his figures are \$2.05. Mine are \$2.033.

I presume, as I say, it is due to the difference of one or the other of us not carrying the decimals out far enough, and I speak of that because the other figures are already in, and he asked me to compile the figures from 1907 to 1910, and it laps over the year 1907.

Mr. RAKER. Have you your table there prepared on that question?

Mr. PALMER. Yes.

Mr. RAKER. All right; give it to the reporter and let him insert it in the record.

(The table referred to is here printed in the record as follows:)

Average export price of German raw and "first marks" f. o. b. Hamburg, 1907-1910.

[Compiled by Truman G. Palmer, from Willett & Gray's.]

[Exchange figured at \$4.88 per pound sterling.]

Years.	Raw (per 100 pounds).	First marks (per 100 pounds).
1907.....	\$2.033	\$2.386
1908.....	2.29	2.629
1909.....	2.35	2.785
1910.....	2.747	3.22

Mr. PALMER. In that connection, also, Mr. Hardwick was of the opinion that that was a refined sugar, and I was certain that it was first-mark sugar. I wired to Willett & Gray. Mr. Hardwick's quotations came from Willett & Gray. I wired them August 3 as follows:

WASHINGTON, D. C., *August 3, 1911.*

WILLETT & GRAY,
82 Wall Street, New York City.

Are figures at top of page 139, Hardwick hearings, for German-Austrian first marks or for granulated of corresponding attractiveness with standard American granulated or American granulated? Also send quick quarter-pound sample soft granulated by special delivery post, so can have first thing in morning. Also what is present difference in price hard and soft granulated? Wire answer.

TRUMAN G. PALMER.

They replied as follows:

NEW YORK, *August 3, 1911.*

TRUMAN G. PALMER,
901 Union Trust Building, Washington, D. C.:

Prices page 139 are for German-Austrian first marks granulated, f. o. b. Hamburg, without duty. Quality inferior to American standard fine granulated. You have sample American granulated. Can not send sample soft granulated. Unknown here. Do you want sample confectioner's Standard A, which sells 15 cents per hundred below granulated?

WILLETT & GRAY.

Now, the first part of that straightens up the matter as to what the quality of this sugar is to which the quotations apply. Then as to the second part of it, I asked him for soft granulated, and, as he says in the telegram, they do not know what soft granulated is, but they sent me a sample of confectioner's A, which sells at 15 cents a hundred less, and I have that sample here, to let you compare that sugar which sells at less money than the sugars I have made comparison with, the American sugars.

(Mr. Palmer here handed to the committee the sample referred to.)

For instance, that sugar in the box, the confectioner's A, American sugar, during 1907 to 1910, sold at 20 cents a hundred pounds under the price of standard American granulated, and yet that is a better sugar, that is, a more attractive sugar—they are both sucrose—it is a far more attractive sugar than the first marks granulated, the quotations of which have been given; and if you would take the quotation last year, Hamburg first marks, \$3.223, and add the freight and insurance of 12 cents, and figure in a difference in value of 25 cents, and then take off your 20 cents as the difference between these two American sugars, you would come out with a very comparatively small saving as between what our sugars cost us with a tariff and that they would have cost us without a tariff, because this confectioner's A sugar is certainly a more attractive sugar, a whiter sugar, than that first-mark sugar.

Mr. RAKER. Is any considerable quantity of that confectioner's A sugar on the market?

Mr. PALMER. I do not know how much of that is used.

Mr. RAKER. And you have not any idea of how much of that is imported, have you?

Mr. PALMER. I do not think we import any of that confectioner's A. That is an American made sugar.

That was all that I had to say on that.

Mr. RAKER. Does this table which you have presented show the export price at Hamburg of this class of sugar during the period from 1907 up to the present time?

Mr. PALMER. The export prices at Hamburg of German Austrian first marks granulated, which is the corresponding sugar for the quotations, have already been given, and are in the record from 1900 to 1907.

Mr. RAKER. This carries it on up to the present time?

Mr. PALMER. Yes.

Mr. RAKER. The main thing I wanted to ask you a few questions about, Mr. Palmer, is in regard to your knowledge of the beet-sugar industry. You gave a very vivid account of the matter, and its benefits, as you claim, and I would like to get the connection of all those that you are interested with. Did you give all of those to the chairman—as I think of it now, I believe you did—that you represent in that association?

Mr. PALMER. Yes.

Mr. RAKER. Very well.

Mr. PALMER. Yes; I called them off from the list as published in the Beet Sugar Gazette.

Mr. RAKER. Now, I will ask you to furnish from each one of these companies that you represent the cost of producing sugar from each place, say for 10 years, each year for 10 years, each factory separately, and give the cost of the beet to the factory, and the cost of the factory to raise the beet if they raise it themselves, and then the cost of putting the product on the market at the factory, at each place, excluding now particularly the cost of selling and the cost of insurance, or the railroad cost of sending it to market, but the actual cost that it is to these people at the factory, eliminating the depreciation in property and plant.

Mr. PALMER. I have given you those figures as compiled by the census, but I will do the best I can on that.

Mr. RAKER. No; I want you to get that from the books of your own companies. Now, can you do that, and will you do it?

Mr. PALMER. I do not know that I would like to promise to get it from the books of our own companies, which would take several weeks' time.

Mr. RAKER. Oh, we will give you a month's time to do it, or two months.

Mr. PALMER. I know; but I have some pretty important work on the other side that has got to be done between now and next fall.

Mr. RAKER. Can you not do this: Can you not, in addition to what we have, write to your companies and ask them to send you these tabulated statements?

Mr. PALMER. I will.

Mr. RAKER. And then you can summarize it and give us the cost as designated in the question.

Mr. PALMER. I will; but I anticipated from your remark that you wanted me to visit these various factories all over the country.

Mr. RAKER. Oh, no; that will have to be up to you to get the real information. They can send to you from their books the tables and statements, don't you see?

Mr. PALMER. Yes.

Mr. RAKER. Do you know why it is that the dark-colored sugars in the West have gone off the market as well as the East—the darker grades?

Mr. PALMER. As they have in all civilized countries, Judge. The people of the great nations are consuming less and less of dark-colored sugars. Now, whether there is some one fundamental reason beneath that or not I do not know.

Mr. RAKER. Have you people, since your connection with it, had any campaign in progress for the purpose of getting them off to market?

Mr. PALMER. None whatever.

Mr. RAKER. Does it affect you in any way to take them off the market—beneficially or otherwise?

Mr. PALMER. I can conceive how it would.

Mr. RAKER. Explain to us, now, in what way.

Mr. PALMER. If Louisiana, for instance, was producing half a million tons of dark-colored sugars which sold at a less price than standard granulated, and that came into competition with us, I can conceive that that might reduce our price somewhat. But you were asking for the reason. I did not finish my answer.

Mr. RAKER. All right.

Mr. PALMER. My theory is this: Sugar is one of the very few, one of the two, I believe, commodities which have not increased in value in the last—I do not know how many years; and it has been constantly going down in value, and the average person, in purchasing sugar, feels that he can afford to buy the best that is on the market. I think that is one of the main reasons for the dark-colored sugars going off. When they were largely used, there was a very great difference between the cost of refined sugar and raw sugar, but the difference now would be slight.

Mr. RAKER. You have understood—right in that connection—that the American Sugar Refining Co. has been carrying an advertisement to the public for 20 years that this dark-colored sugar was impure, and the unrefined sugar was impure and unhealthy, and dangerous to use, has it not? Is that right, that they have been carrying an advertisement?

Mr. PALMER. They have been carrying an advertisement.

Mr. RAKER. What I want to know is whether you, the beet-sugar people, were not interested in that information being kept before the public?

Mr. PALMER. Not in the slightest. It undoubtedly is true, how far scientifically I do not know, but the dark-colored raw sugars are not as cleanly a product as a refined sugar. Take it, for instance with our beets. Not from the time that the beet is grown in the field does a human hand touch that beet, or the juice from it, or the product from it, until it is taken out of the sack at the grocery store. It goes into one end of the factory as a sugar beet. It goes through the slicing machine, it goes through the diffusion battery and the cossettes are thrown out and the juice is carried on down through the different defecation and clarification processes, and goes down into the strike pan, and from there into the centrifugals, and goes from there into the drying room, where it is automatically dried in immense cylinders, and rolls out into and down through a chute, and directly into the bag.

Mr. RAKER. Without a human hand touching it?

Mr. PALMER. Without a human hand touching it.

Mr. RAKER. And in first-class sterilized or practically sterilized machinery?

Mr. PALMER. Yes, absolutely sterilized, to make it pure.

Mr. RAKER. That is the way you have been trying to run the industry, and that is the way it has been manufactured so far as you know, from your first knowledge, is it?

Mr. PALMER. Yes, sir; absolutely.

Mr. RAKER. Now go on to the other side.

Mr. PALMER. You take the raw sugar. I am not so familiar with that, but the people who have no reason to tell me otherwise say that in the large cane factories in the Tropics it lies around in large piles, and it is tramped over by people, barefooted, and what else happens to it I do not know. It finally goes into the sacks, and it goes into a ship's hold, and it is subjected to the odors of the ship, and everything of that kind; and then so far as this advertisement of Willett & Gray is concerned—that is, of the American Sugar Refining Co. in Willett & Gray—it certainly is true that a sugar which is not a pure sugar does invert, does work, in a tropical climate, and my understanding always has been that in that process of fermentation the impurities do develop minute insects. Now, I have no positive knowledge of that.

Mr. RAKER. No, but this is what I want to get. If this white or brown sugar before it is refined could be used by the people, I understand now, from your statement, that that would sell cheaper to the consumer than the refined sugar.

Mr. PALMER. It ought to.

Mr. RAKER. That is, if it is 96 or 97 or 98 per cent sucrose it would sell cheaper, would it not?

Mr. PALMER. It ought to.

Mr. RAKER. But, of course, as to their desiring to have the statement that that was the only kind of sugar to be used—that is, refined sugar—you people manufacturing the beet sugar state that it has come from the beet white and pure when it goes into the sack?

Mr. PALMER. Yes.

Mr. RAKER. And you would be, therefore, interested—the beet-sugar people would be interested—in keeping up the credit of that kind of sugar?

Mr. PALMER. We would.

Mr. RAKER. And the less of the dark-colored sugar, unrefined, that was sold the better for you. You heard here Mr. Burguières. It would be to the interest of the beet-sugar people that that kind of sugar did not go on the market; is not that true?

Mr. PALMER. I think it is.

Mr. RAKER. But still it would add a certain per cent to the cost to the consumer, if your sugar is higher in price, and if they buy your sugar because of the looks of it, and the belief that it is purer and better, because of the color; and you would be getting a higher price, and thereby be making more than you would if they bought this other kind of sugar?

Mr. PALMER. That is true.

Mr. RAKER. Yes.

Mr. PALMER. But I would not for a moment——

Mr. RAKER. Now, just one moment. I am not assuming that there is anything unjust or wrong about it, but I think that the facts ought to go in so that the public may understand this situation.

Mr. PALMER. But you understand, Judge, that the public would never know whether it was getting 100 per cent or 99 or 98 or 97 per cent of sucrose.

Mr. RAKER. They would not?

Mr. PALMER. No. The average man can not carry a polariscope around in his pocket and examine the sugar every time he buys a 2-pound package; and he would not know how to operate it if he did have it; and you can not tell the difference without the polariscope.

Mr. RAKER. Then we have to buy "by guess and by gosh"?

Mr. PALMER. On that dark-colored sugar, most assuredly.

Mr. RAKER. Right in that connection, to show the reason for that, let me read a part a letter dated July 27, 1911, which appears on page 2535 of the record, addressed to Mr. Hardwick, the chairman of the committee. Subdivision 4 of this letter reads as follows:

4. In regard to the advertisement which has appeared in Willett & Gray's Weekly Statistical Trade Journal, I find that the advertisement was first inserted on April 23, 1891, having been put in by Mr. John E. Searles, secretary of the American Sugar Refining Co. at that time, and was paid for at \$400 per annum from that date as an advertisement at the regular rates charged by Willett & Gray.

Since this investigation, and for the first time in 20 years, they have changed their advertisement in Willett & Gray's.

Mr. PALMER. Yes.

Mr. RAKER. As we find in the issue of August 3, 1911, volume 35, No. 31, on page 311. The other advertisement was taken out and they put in this one in its place:

QUALITY SUGARS.

THE SUGARS OF THE AMERICAN SUGAR REFINING CO. ARE ABSOLUTELY 100 PER CENT PURE.

THEY INCLUDE FORTY-THREE (43) ASSORTMENTS, OFFERING UNEXAMPLED OPPORTUNITIES FOR CARLOAD SHIPMENTS—THEY CAN BE FORWARDED PROMPTLY, OWING TO OUR EXCELLENT MANUFACTURING FACILITIES—THEY HAVE THE APPROVAL OF THE CONSUMING PUBLIC, THANKS TO THEIR PURITY AND A GENEROUS ADVERTISING POLICY—THIS MEANS READY SALES.

THE AMERICAN SUGAR REFINING Co.,

117 Wall Street, New York.

On the left-hand side is a picture of the Eagle brand of granulated sugar, in three different-sized packages, and on the right-hand side is a picture of three different packages of crystal domino sugar, packages of 2 pounds and 5 pounds. Now, that would go to show that there has been an effort by the American Sugar Refining Co. to convince the public that this quality of sugar that Mr. Burguières testified about was not a good sugar to use, but that they should use the pure white. That is the only deduction to draw from it, is it not?

Mr. PALMER. Let me suggest this in that connection.

Mr. RAKER. Go ahead.

Mr. PALMER. If the American Sugar Refining Co. really was trying to push a propaganda of that kind, they would not confine it to a little weekly statistical paper that goes only to sugar people. They would go

into the magazines with such advertisements. Just why they did it I do not know, but I do not think the advertisement that they had in there could be considered a propaganda of trying to convince the people that those sugars were not pure, because there is not enough circulation to a paper of that kind. It sells at \$15 a year, and nobody but sugar men take it, and the sugar men are perfectly familiar with these different kinds of sugar. If they had gone into a line of magazines, that would have shown their hand, and would have indicated their hand, in the direction that you suggest.

Mr. RAKER. Of course that is a question of degree, but what I wanted to start off with from that was that the sugar-beet people have supinely sat by and permitted this to go on, and at the same time this class of sugar has been practically taken off of the market.

Mr. PALMER. Why, they could not do otherwise. We had not anything to do with it. Now, we have pushed one propaganda on sugar, both in California and in Colorado.

Mr. RAKER. What is that?

Mr. PALMER. That is to get the people of those States to use beet sugar, we demonstrating to them that beet sugar is absolutely the same as cane sugar. There was a prejudice against beet sugar, and cane sugar invaded those markets, and I know in Colorado they had some young women out, going to the different houses and taking the sugars and making things for them, to demonstrate to those people that our sugar is as good as these other imported sugars that were coming in, which I think was purely legitimate.

Mr. RAKER. That is legitimate, yes.

Mr. JACOWAY. You stated that you would prepare a statement showing the cost of a pound of sugar, as near as you could. Now, will you forward that statement just as soon as you prepare it?

Mr. PALMER. Yes.

Mr. FORDNEY. Mr. Palmer, I was not here when you gave your testimony the other day, and I saw in the papers at home that you stated when Cuban reciprocity was adopted the consumer got the benefit of that reduction?

Mr. PALMER. No; that was incorrectly stated.

Mr. FORDNEY. That is all I wanted to ask.

Mr. RAKER. Your entire tables and statements are presented upon the theory that it is to the interest of the American people to give a bounty, in substance, to the American beet-sugar people?

Mr. PALMER. To protect the beet-sugar industry; yes, sir.

Mr. RAKER. To protect it; and that the interests of the beet-sugar people should be protected. The whole effort is along that line? That is the purpose of this organization of which you are the secretary?

Mr. PALMER. No; I should not say that.

Mr. RAKER. It is one of the main efforts?

Mr. PALMER. Yes; it is one of the main efforts.

Mr. RAKER. I am not asking this offensively, Mr. Palmer, at all.

Mr. PALMER. No.

Mr. RAKER. But you have stated in regard to the benefit to the soil from beet culture, that it is very beneficial, and your statements in the last part of your testimony imply that if land was cultivated as it is cultivated for beets, we would add that much to our other crops planted upon the soil that was cultivated as it is cultivated when beets are put in?

Mr. PALMER. Yes.

Mr. RAKER. You do not intend to state, do you, that the fact of the beets being planted adds a nutriment to the soil?

Mr. PALMER. Yes, sir.

Mr. RAKER. To cause the extra quantity of other products that are planted there the next year to grow, do you?

Mr. PALMER. That is a part of it; for this reason, Judge. A sugar beet is not one single root. It has a large number of fibrous roots that spread out in all directions and go down as deep as you will plow. If you plow 24 inches, as they did in Bohemia a few years ago, you will find the roots. They found that the beet roots went clear to the bottom of it. Now, when you plow your beets in the fall, you break off those minute roots, and remaining in the ground, they rot, and they allow the air to go down into that lower stratum of soil and aerate it, and they add humus to that lower area of soil. So that when you put your crop of wheat or oats or barley on a field that has been in beets, the roots of those crops find those interstices and follow down and draw nutriment from a greater depth of soil. That is a part of the reason; and a great part is in the better general physical condition that it puts the soil in.

Mr. RAKER. That is what I wanted you to state. The fact of the beet going down deep and leaving these little roots in the soil, leaves it in the condition that gives it air, and gives the air a better opportunity to circulate through the soil?

Mr. PALMER. Yes.

Mr. RAKER. That is the real difference?

Mr. PALMER. Yes.

Mr. RAKER. But that is only a small portion of the benefit, as compared to the deep plowing and the cultivation of the soil?

Mr. PALMER. The deep plowing is the main thing, and the carrying in of this additional humus is one thing.

Mr. RAKER. Yes.

Mr. PALMER. And the freeing of the fields from weeds and other noxious growths is another thing.

Mr. RAKER. This humus is no more from the sugar beet than from the mangel-wurzel?

Mr. PALMER. No, sir.

Mr. RAKER. That is what I wanted to get at.

Mr. PALMER. Yes.

Mr. RAKER. The same thing would apply to carrots?

Mr. PALMER. I think not to the same extent.

Mr. RAKER. The carrots go down 12, 16, 18, and 20 inches.

Mr. PALMER. Yes, but I do not think they have as much of a fibrous growth as sugar beets and mangel-wurzel.

Mr. RAKER. That would apply to all garden stuff that is put in, would it not?

Mr. PALMER. To all root growths.

Mr. RAKER. To corn as well?

Mr. PALMER. No.

Mr. RAKER. Not as strong, but to some extent?

Mr. PALMER. The corn does not go down into the lower strata in the same way.

Mr. RAKER. From practically all the other crops we raise by cultivation we would get practically the same result as from sugar beets, so far as cultivation goes?

Mr. PALMER. There are other crops from which you would get approximately the same as you do from sugar beets if you took care of them in the same manner.

Mr. RAKER. But I want to assume that you take care of them and plow the land as deep and that you cultivate it in the same way and keep it clean of weeds or any other vegetable growth; it would give the same vitality to the soil for the next year's crop as sugar beets?

Mr. PALMER. Not any other vegetable, or quite to the same extent, but very largely so. I am not fencing, at all.

Mr. RAKER. I am not assuming that you are, at all.

Mr. PALMER. No. In Great Britain, where they raise large crops, they raise enormous quantities of turnips.

Mr. RAKER. You know turnips have a great many little fibrous roots.

Mr. PALMER. Yes; that is the reason they raise them.

Mr. RAKER. And carrots—some of them are smooth, and some of them have a great many fibers. While they appear to be smooth, there are a great many fibers attached to the roots.

Mr. PALMER. Yes.

Mr. RAKER. And there is the long tap root.

Mr. PALMER. Yes.

Mr. RAKER. And some of the mangel-wurzel beets, and all other beets, are in the same condition.

Mr. PALMER. The great point is, Judge, that our people will not take the pains unless they have to. Here it is for this particular purpose, and there is a check on them, and they can not get the sugar out of the beet unless they do this, and knowing that that is the case, they are obliged to take care of their beet crops in this way; whereas, if they were raising carrots or raising turnips or raising mangel-wurzel, they would not give that care to them.

Mr. RAKER. I do not want to take that up with you now, because we are so near through. You made the statement in regard to sugar beets benefiting the land. I say if you take mangel-wurzel beets or take carrots or turnips or even take cabbage and brussels sprouts and that class of vegetables that have long roots that do go into the ground, if the soil is plowed to the same depth, cultivated in the same manner, and the weeds kept out of it, it will add to the fertility of the soil and add to the percentage of the next year's crop, practically in proportion as if it were planted in sugar beets?

Mr. PALMER. You will get that result from mangel-wurzel and also from turnips and carrots to a large extent. I should not think that cabbages and things of that kind would begin to give any such results, to any such extent.

Mr. RAKER. That you have not gone into?

Mr. PALMER. No, sir; I have not.

Mr. RAKER. And rutabagas would be the same?

Mr. PALMER. Yes.

Mr. RAKER. There are a great many other vegetables that I have not named. Now, I will put this question to you: Do you know whether or not the sugar-beet people have tried to educate the people on the subject you have now been testifying to? Have they sent out any pamphlets to the people on that subject?

Mr. PALMER. Not pamphlets. Our superintendents have tried to do it, and they have been discouraged, but they have done everything they could.

Mr. RAKER. Now, you have made a statement in regard to the percentage that we would get by virtue of cultivating our soils and handling them properly, over what we get by the way we do now, for instance, on the wheat and oats and rye crops in the West, as compared to some of the foreign countries—Germany, France, and England?

Mr. PALMER. Yes.

Mr. RAKER. Has the Department of Agriculture ever taken up this subject in any method by which it sent out a bulletin to the people as to the effect on their crops, as to the effect of cultivation, and the effect of beet cultivation, and the effect of keeping the weeds cleaned out, and the most important thing of all, the rotation of crops?

Mr. PALMER. Only in a general way.

Mr. RAKER. Why have they not, if they are trying to put this matter fully before the American people, and show the benefit to the American people; and why have they only given it a small consideration as it applies to sugar beets?

Mr. PALMER. The Secretary of Agriculture put out a bulletin, No. 22, which was not extensively circulated, in which he called attention to this thing, in which he stated that every beet-sugar factory was a State experimental station. But none of our people have gone into it to the extent to which I have gone into it in that one little circular.

Mr. RAKER. What is the number of that bulletin?

Mr. PALMER. It is Senate document No. 76.

Mr. RAKER. The one just filed the other day with the committee?

Mr. PALMER. Yes; written by me.

Mr. RAKER. Yes, I know; but it was just put in in the Senate the other day?

Mr. PALMER. Yes.

Mr. RAKER. What was the date of that? I want to get it in our record.

Mr. PALMER. It is July 25, 1911.

Mr. RAKER. That applies to sugar beets?

Mr. PALMER. Yes.

Mr. RAKER. But you have not gone into the benefit to the farmer and to the American people if they thus cultivate their soil and put it in the same condition that it would have to be put in if it were in sugar beets, have you?

Mr. PALMER. Yes; I think the department has done a good deal.

Mr. RAKER. No; I mean you have not in this pamphlet?

Mr. PALMER. No, sir.

Mr. RAKER. Now, I have understood you to say that the present tariff duty is necessary in order for the sugar-beet people to exist?

Mr. PALMER. Yes.

Mr. RAKER. For what purpose? Whom does it affect—the man that invests the money?

Mr. PALMER. Yes; the man that invests the money, and the farmer as well.

Mr. RAKER. Does it affect the man who labors?

Mr. PALMER. Most assuredly.

Mr. RAKER. If that is a fact, why is it that these sugar-beet industries in the United States are employing so many foreign laborers?

Mr. PALMER. I found only 78 out of 7,800 in 34 factories. That is not a large number.

Mr. RAKER. Well, in the cane industry in the Hawaiian Islands it has been shown here that 95 per cent is foreign labor.

Mr. PALMER. Yes, I know; I have written some very warm stuff about that condition, too.

Mr. RAKER. Is it not a fact that if these people could get Japanese labor and Hindu labor, and get it cheaper, they would not give any consideration to paying the high price for American labor, but would employ the cheap labor, from what has been done?

Mr. PALMER. I have never put our sugar beet manufacturers into any different category from what I put other business men in.

Mr. RAKER. Exactly. Well, that is fair.

Mr. PALMER. I do not believe that any one of them has turned his hand to stimulating immigration into this country of Japanese or Chinese, or any other foreign laborers. But when those people are here, in certain places, be there many or be there few, and labor is needed, they are going to hire those people.

Mr. RAKER. Now, right there: If they want to treat fairly the American people on the question of getting protection upon their sugar, why do they not in terms refuse to employ this kind of laborers—Japanese and Hindus and other cheap labor—and pay the extra high price, if it is necessary, to get the American labor, and participate and assist in excluding that kind of labor from this country, instead of, when they make a fight upon the tariff, saying it is done for American labor?

Mr. PALMER. The table which I prepared and put in does not show that these are cheap people, and my experience does not teach me that the Japanese and Chinese are cheap laborers; and that is one reason why I fear them. The Chinaman and the Jap are always at work. If the wage rate is \$2.50 a day, the Chinaman or the Jap will work for \$2.40 a day. If the wage rate goes down to \$1.50 a day, he will work for \$1.40 a day. He is always just under the white man. If the rate goes down to \$1 a day, he will work for 90 cents a day. And the trouble with that whole thing, in my judgment, lies here. I think we should go more slowly, and if we can not develop our country—your State and the rest of the States—without that Asiatic labor, we had better go without.

Mr. RAKER. I want to say that if your people would come before this committee, before you get through, and show just the conditions, and what efforts you are making to advance American labor, and that it is necessary to have assistance in this country to maintain yourselves on that account, you would get better consideration than you would if you tried—I do not mean you personally——

Mr. PALMER. I understand.

Mr. RAKER. You would get more consideration than you would if you try to cover up the fact that you are using this kind of labor that is being used now; if you would come before this committee and say you are using American labor, and ask for this high protection for the purpose of protecting American labor.

Mr. PALMER. I think what you say is right, but several intimations there in what you say are wrong. I do not think I ever tried to cover it up; and I do not think they are employed. I remember, as Mr. Spreckels intimates there, and following out what I was about to say before you made that statement, the time when we will regret that Asiatic labor, is not in such times as we have been having for the last 10 to 15 years. It is when we have hard times and men are out of work. Then you will find that every Chinaman and Jap is at work, and the fellow that is on the street will be the American.

Mr. RAKER. I agree with you.

Mr. PALMER. That is the time when we will regret it. I do not believe in it, a bit. I am with you, absolutely, on that, and always have been.

Mr. RAKER. I think that covers the subject, Mr. Chairman. Mr. Palmer has been fair on that, and he will produce other evidence if he can on that.

Mr. PALMER. There are two or three notations I had here. I was asked if I could find anything about that dividend of the Union Sugar Co. in Willett & Gray. I have searched Willett & Gray hurriedly, since the first of January, and find nothing about it. It might seem strange, inasmuch as I found out all about Watsonville, that I did not find out about the union; but that was in an article that gave the history of the beet sugar industry from 1830 to 1890, under date of December 18, 1890.

Between the table which I put in in New York on Lyle's granulated, which appears on page 2406 of the record, and the table I put in here in Washington, which appears on page 2650, there is a slight variation in the average yearly price, which comes about from the fact that in the New York table I reduced each weekly quotation in pounds sterling to American money, and from hundredweights to hundred pounds, whereas in the Washington table I took the table for the year in shillings and pence, and divided by 500, and divided then by 112. The fractions would account for that difference.

Here is a map that I think would interest you, Judge Raker, which I prepared a couple of years ago [handing map to Mr. Raker].

Mr. GARRETT. What is it?

Mr. PALMER. That map is to show the area of the United States which the different kinds of sugar will—or would two years ago—cover the population for, beginning with the beet sugar on the west and coming in with the Louisiana product and the Hawaiian product and the Philippine product and the Cuban sugar.

Judge Raker asked me the proportion of sugar from Hawaii and the Philippines coming into the four ports. I have compiled that from Willett & Gray for the years from 1891 to 1910, under calendar years. I have put alongside of it the total receipts of sugar as given by the Government from those countries, but that is in fiscal years.

Mr. RAKER. I understand.

Mr. PALMER. Sometimes the total receipts, if one did not stop to see that it was fiscal and calendar years, are less than the receipts in New York. I make that explanation.

Mr. RAKER. The table will show it?

Mr. PALMER. Yes.

(The table referred to is here printed in the record, as follows:)

Total receipts of sugar from Hawaii and the Philippine Islands, and receipts at four ports, 1891-1910.

Years.	Hawaii.		Philippines.	
	Total Hawaiian product (fiscal year).	Receipts at four ports from Hawaii (calendar year).	Total United States receipts (fiscal year).	Receipts at four ports from the Philippines (calendar year).
	Long tons.	Long tons.	Long tons.	Long tons.
1891.....	122,760	2,088	41,343	34,915
1892.....	119,084	20,515	43,431	66,604
1893.....	147,688	7,580	54,649	63,989
1894.....	136,917	22,645	55,380	29,255
1895.....	131,600	(1)	30,701	31,245
1896.....	198,022	46,185	64,382	61,382
1897.....	232,213	89,890	32,849	11,657
1898.....	204,833	90,833	13,165	26,440
1899.....	252,506	130,141	23,047	22,067
1900.....	258 521	135,113	22,093	5,987
1901.....	321,461	169,765	2,095	5,100
1902.....	317,509	167,339	5,100	2,550
1903.....	391,062	227,288	8,380	29,947
1904.....	328,103	397,905	27,486	22,100
1905.....	380,576	227,428	34,820	44,841
1906.....	383,225	212,604	30,970	.....
1907.....	392,871	238,404	11,234	8,700
1908.....	465,288	260,013	17,146	45,089
1909.....	477,817	267,051	37,342	41,370
1910.....	462,613	252,389	78,513	82,715

¹ No figures.

Mr. PALMER. In regard to that, this is a little illuminating. When the Hawaiian treaty was under consideration in 1876 Mr. Fernando Wood, chairman of the Ways and Means Committee, said:

It is not possible that the Hawaiian sugar can ever find its way to the Atlantic States. The cost of transportation would exclude it. Nor can there be fear of any very great increase in the production of sugar, in view of the steadily diminishing population of the island.

Mr. GARRETT. Who was it who said that?

Mr. PALMER. Mr. Fernando Wood, chairman of the Ways and Means Committee. And the Secretary of the Treasury at that time estimated that the output of Hawaii never would go beyond 11,000 tons, and that the loss to our Treasury never would exceed \$400,000 a year.

Mr. RAKER. They were not very good prophets were they, either of them?

Mr. PALMER. It was \$17,000,000 in 1908. Some one made a remark which I did not understand at the time, in regard to the conditions of agriculture all improving, and the conditions in this country are so dissimilar to those of the other countries, that I think I ought to correct that by putting in this table, which shows the increase in bushels for 25 years in each of the principal crops, the increase per acre in the United States and the increase in Germany. The fact is that the increase in bushels in Germany as compared with 25 years ago is almost equal to our total yield. That is an awful condition of things.

(The table referred to is here printed in the record as follows:)

Germany and the United States—Twenty-five years' progress in the production of certain staple crops.

[Compiled by Truman G. Palmer from Yearbook of the United States Department of Agriculture and Yearbook of the German Government.]

	Germany.	United States.
Five crops:		
Acreage in 1909.....	42,588,000	93,469,000
Yield in 1909.....bushels..	3,060,277,000	2,323,602,000
Value in 1909.....	\$1,730,227,000	\$1,462,545,000
Average yield per acre in 1884.....bushels..	40.6	20.2
Average yield per acre in 1909.....do....	71.8	24.8
Increase in yield per acre.....do....	31.2	4.6
Wheat:		
Yield per acre in 1884.....do....	19.2	13.0
Yield per acre in 1909.....do....	30.5	15.8
Increase in yield per acre.....do....	11.3	2.8
Increase in yield per acre.....per cent..	58.8	21.5
Rye:		
Yield per acre in 1884.....bushels..	14.8	12.2
Yield per acre in 1909.....do....	27.6	16.1
Increase in yield per acre.....do....	12.8	3.9
Increase in yield per acre.....per cent..	85.1	21.2
Barley:		
Yield per acre in 1884.....bushels..	23.9	23.5
Yield per acre in 1909.....do....	39.4	24.3
Increase in yield per acre.....do....	15.5	.8
Increase in yield per acre.....per cent..	64.8	3.4
Oats:		
Yield per acre in 1884.....bushels..	33.3	27.4
Yield per acre in 1909.....do....	59.1	30.3
Increase in yield per acre.....do....	25.8	2.9
Increase in yield per acre.....per cent..	77.4	10.5
Potatoes:		
Yield per acre in 1884.....bushels..	126.1	85.8
Yield per acre in 1909.....do....	208.9	106.8
Increase in yield per acre.....do....	82.8	21.8
Increase in yield per acre.....per cent..	65.6	24.4
Five crops:		
Average yield per acre in 1884.....bushels..	40.6	20.2
Average yield per acre in 1909.....do....	71.8	24.8
Average increase in yield.....do....	31.2	4.6
Average increase in yield.....per cent..	76.8	22.7
Four cereals:		
Average yield per acre in 1884.....bushels..	21.9	18.0
Average yield per acre in 1909.....do....	39.1	21.6
Average increase in yield.....do....	17.2	3.6
Average increase in yield.....per cent..	78.5	20.0
Per capita:		
5 crops in 1909.....bushels..	51.0	25.8
4 cereals in 1909.....do....	22.4	21.6
Wheat and rye in 1909.....do....	9.2	8.5

Mr. RAKER. Is it not a fact that a great part of that grows out of intensive cultivation, and the small unit of the farm?

Mr. PALMER. It is the intensive cultivation.

Mr. RAKER. And the small unit of the farm?

Mr. PALMER. Well, Judge, I have been on some big estates over there, all the way from 5,000 to 25,000 acres, and I never saw any manufacturing industry in this country managed more beautifully than those big estates are over there. Marshall Field never ran his business with greater precision.

Mr. RAKER. Than that with which they run their agricultural operation, their farms?

Mr. PALMER. Yes. Why, it reminded me of the celebrated statement of Phil Armour, who said that he saved everything of the pig except the squeal. They do it. By Jove, they raise their sugar beets in order to improve the rest of their soil; they work their sugar beets

into sugar and sell the finished product. That gives them the by-products to feed to their stock, of which they keep enormous quantities.

Mr. RAKER. Do not get off entirely on the sugar beets. Let us go to carrots and turnips and all the other things. They raise them the same, do they not?

Mr. PALMER. Yes. Why, with their wheat, take it on the estate at Yenc, and they raise wheat in connection with their sugar beets, and they do not sell that wheat, they have their own flour mills that turn out 30,000 bags of flour a day. They raise barley. They do not sell that barley, a pound of it. They have a great big brewery and turn it into beer. Everything, down to the very last thing, is done in that way. If they would farm that estate as they are now farming it for a thousand years, it would produce more tonnage at the expiration of that time than it is producing to-day. So that it is not the fact that they are small farms.

Mr. RAKER. Then, according to your statement, the most important department in the Government to-day is the Agricultural Department, if the information that you have now given us is given broadcast to our people in America to intensify their cultivation and plow and properly cultivate their land?

Mr. PALMER. I have no more doubt of it than that I am sitting in this chair, that it is from a material viewpoint the most important thing that can be done in this country.

Mr. RAKER. Irrespective of whether it is sugar beets or mangelwurzen beets or other things of the same character?

Mr. PALMER. Simply use the thing that is most available to get our farmers to doing it.

Mr. RAKER. I see.

Mr. PALMER. Those advantages are so great that I neglected to have anything to say about the advantages to the various communities, that is, the local advantages, the increase in assessed valuation and the increase of population and the value of property, and the increase in business. Before ever I was connected with this business, when I was investigating it with a view to entering into it, but wanting to know something about it, I sent blanks to the mayors and to the assessors and to the city clerks of every town in the United States where they had a sugar factory and asked them about those things, what were the effects of establishing these factories in their midst, and in an address which I delivered before the Trans-Mississippi Commercial Congress in 1902 at St. Paul I devoted this much to that part of it and, if you have no objection, I would like to have this go in here. It is not long.

Mr. GARRETT. Very well.

Mr. RAKER. Insert it in the record.

(The extract referred to by Mr. Palmer is here printed in the record as follows:)

[Extract from address by Truman G. Palmer before the Thirteenth Annual Session of the Trans-Mississippi Commercial Congress, held at St. Paul, Minn., Aug. 19-22, 1902.]

Desirous of obtaining accurate information concerning the average beneficial results brought about locally by the establishment of beet-sugar factories throughout the United States, I recently wrote to the local bankers, county assessors, and postmasters where each of our sugar factories is located, and to the sugar companies as well, inclosing a blank on which were some 31 questions, to which I requested answers.

Not all of the blanks have been returned, but I will give you the benefit of those already received. I will state at the outset that not a word of discouragement was expressed in any answer in any report.

I asked: "What gross proceeds per acre are your farmers able to secure in beet culture?" In most instances they gave me the range from the lowest to the highest. The lowest was \$25, the highest \$180, the average of all \$69.40 per acre.

The next question was: "And how does this compare with what they obtain in raising other crops?" Among the replies were: "One hundred per cent higher." "Beets best crop we can grow." "Favorable." "Very much in excess of other crops." "About 300 per cent." "An increase of 80 per cent." "A decided improvement." "About three times as much."

Then I asked: "As the farmers become familiar with beet raising, are they more or are they less anxious to raise beets?" All replied that they were more anxious; that interest was increasing, and, in all but one case, that the acreage was being extended.

I next asked: "Have farm mortgages increased or decreased since the erection of the factory, and to what extent?" All but two stated that they had decreased, some materially, some 25 per cent, some 30 per cent, one that very few farms were now mortgaged. Two stated that farm mortgages had increased owing to the fact that renters were becoming able to buy on partial payments.

I then asked for: "The average price for agricultural lands prior to the location of the factory and at the present time?" Two gave no price before the factory was erected, the land being a desert and of little value; land in one of those sections now being worth \$100 per acre; in the other \$150 per acre. Of the others, the smallest increase was 20 per cent, the greatest 250 per cent. The average price of all was \$34.28 per acre prior to the location of the factory, and \$75.55 per acre at the present time. The average increase in value was 124 per cent.

The next question was: "What effect has the erection of the factory had on the prosperity of the farmers?" Here are some of the replies: "Glorious." "Profits double." "They are paying debts and renters are buying farms." "Good." "Much interest shown." "Diversity of crops." "Enables them to buy land and build homes." "Better prices and demand for produce of all kinds." "Greatly increased."

I think this pretty accurately sizes up the situation as to the far-reaching beneficial effect of the erection of a beet-sugar factory on surrounding farmers.

But this is only part of it. Merchants and real-estate men are affected; in fact, the whole community. I called for the assessed valuation of all town property before the erection of the factories and at the present time, the same information as to population, average price of residence lots, and of business lots. The replies show the average increase to be as follows:

	Per cent.
Assessed valuation, increase.....	139
Population, increase.....	89½
Average value of residence lots, increase.....	59
Average value of business lots, increase.....	188

Rocky Ford, Colo., is a fair sample of what a beet-sugar factory does for even a good town. Two years ago Rocky Ford was a prosperous town of 1,500 people, largely engaged in raising the celebrated "Rocky Ford melons" for the eastern market. The American Beet Sugar Co. erected a factory there for the 1900 campaign. Rocky Ford's population during these two years has jumped from 1,500 to 3,000, her assessed valuation from \$327,608 to \$645,344, the price of average residence lots from \$50 to \$200, of average business lots from \$750 to \$2,000. Over 400 buildings have been constructed at an expense exceeding \$400,000, and 40 more were in course of construction at the time my blanks were filled out.

Sugar City, Colo., is an illustration of what a sugar factory will do for a barren desert. When the National Sugar Manufacturing Co. stuck the stakes for the Sugar City factory there was not a house, a barn, or even a shack in sight in any direction; when steam was turned on in the factory seven months later, a crop of 15,000 tons of beets was ready to harvest and the town had 1,800 people, which population has since increased to 2,500.

All these results are directly and wholly attributable to the erection of the beet-sugar factories. I put another question: "What effect has the erection of the factory had on the prosperity of your merchants?" Here are some of the replies: "Greatly increased." "Business doubled." "Profits doubled." "Many new stores." "Prosperous." "No failures." "Increased cash sales." "Increased the business a thousand per cent." "Neither merchants nor prosperity before."

The question is, Do we want 600 more such towns, each surrounded by a thousand or more prosperous farmers' families, or will we by changing existing tariff conditions run the risk of selling the birthright of the American farmer for a mess of pottage?

Mr. PALMER. I think that is all, except one suggestion that I have. On August 1, 1911, there appeared on the first page of the Washington Post a column article, or nearly a column, headed, "152 mills closed. Drought in Carolinas deprives 70,000 persons of work. Hot winds ruin the crops. Charlotte, N. C., still dependent on water brought in by train." The Washington Herald featured it in a double-column article. I just wanted to suggest this: Those people down there to-day are out of work because of an act of Providence; and if the thing goes on, they will get hungry. This investigation will get results, and you gentlemen have the framing up of a new tariff bill pretty soon, and I just want to suggest that you keep in mind that whether you close mills down by act of Congress or whether they are closed by an act of Providence, the fellows get just as hungry. I have a lot of good friends in the Democratic Party, and I do not want to see you in revising the tariff hit this, that, or the other industry so as to close these mills down as they have been closed down down there in North Carolina and South Carolina by act of Providence.

Mr. GARRETT. Does that complete your statement?

Mr. PALMER. That completes my statement.

Mr. GARRETT. You are excused with the thanks of the committee. The stenographer will note that according to the previous order the committee stands adjourned subject to the call of the chairman.

(At 3.30 o'clock p. m. the committee adjourned to meet at the call of the chairman.)

No. 36

HEARINGS

HELD BEFORE THE

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE
AMERICAN SUGAR REFINING CO. AND OTHERS**

FRIDAY, AUGUST 11, 1911

HOUSE OF REPRESENTATIVES

**WASHINGTON
GOVERNMENT PRINTING OFFICE**

1911

**SPECIAL COMMITTEE ON THE INVESTIGATION OF THE AMERICAN
SUGAR REFINING CO.**

HOUSE OF REPRESENTATIVES.

THOMAS W. HARDWICK, *Chairman*.

**FINIS J. GARRETT.
WILLIAM SULZER.
JOHN E. RAKER.
H. M. JACOWAY, JR.**

**GEORGE R. MALBY.
J. W. FORDNEY.
E. H. MADISON.
A. C. HINDS.**

AMERICAN SUGAR REFINING CO.

SPECIAL COMMITTEE ON THE INVESTIGATION OF THE
AMERICAN SUGAR REFINING CO. AND OTHERS,
HOUSE OF REPRESENTATIVES,
Friday, August 11, 1911.

The committee this day met, Hon. Thomas W. Hardwick (chairman) presiding:

The CHAIRMAN. The committee will be in order. I have called this meeting this morning simply for the purpose of putting in the record certain supplemental written statements, affidavits, and so forth, submitted by various witnesses in response to requests made by members of the committee during the progress of the investigation. (The statements, letters, etc., are as follows:)

UTAH-IDAHO SUGAR CO.,
Salt Lake City, Utah, August 4, 1911.

HON. THOMAS W. HARDWICK,
*Chairman Special Committee on Sugar Investigation,
House of Representatives, United States, Washington, D. C.*

DEAR SIR: In compliance with your request under date of July 29, 1911, for figures of cost of manufacturing beet sugar for the past five years, I have had our auditor compile you the figures from our books, showing cost at each factory with pounds of sugar manufactured, such cost, however, is not charged with some of the items that you refer to and especially with any depreciation on the cost of factories, which rightfully belongs to the cost of manufactured material.

It is true that we endeavored by means of repairs to keep up the maintenance of factories each year, but there comes a time when repairs are of no avail, and other machinery and other buildings must be substituted, or, in other words, the life of any manufacturing plant covers only a certain period of years, and the time comes when you must substitute such plant and machinery by building new, entirely. This is, however, a matter that is subject to a great many opinions as to what is the proper amount to charge off each year for depreciation. We have provided to some extent for this by carrying a depreciation account on our books, which does not go against the cost of sugar.

You will also notice that in the year 1911 the Blackfoot factory lost \$51,252.36. This was caused by the company endeavoring to raise beets when the farmers had become discouraged, and the white fly, which is a disease incident to sugar beets at certain times, caused a loss in our farming operations, together with the taxes and other expenses incident, to total the above amount, and the factory did not run that year.

You will further find that in 1910 the Nampa factory was charged with a loss of \$122,938.50. That factory did not run during the year of 1910 for similar reasons, the company having endeavored to raise beets and the disease got into them, causing loss, together with other expenses, amounting to the sum named.

Last year, ending February 28, 1911, we endeavored to run the Nampa factory, and we have shown how much sugar we manufactured and what it cost us, nearly 16 cents per pound. This condition is one of the vicissitudes of the beet-sugar business. Nevertheless, none of these items are charged to the cost of producing sugar for the past five years on this statement.

I trust that this will be made clear to you. I inclose statement with letter.

Very truly, yours,

THOMAS R. CUTLER, *General Manager.*

Statement showing cost of production of sugar manufactured at factories of Utah-Idaho Sugar Co. for period of five years ending February 28, 1911.

LEHI FACTORY.

Year ending—	Pounds produced.	Cost per pound.	Losses at factories not operated.
Feb. 28, 1907.....	26,178,000	\$0.042348	.....
Feb. 29, 1908.....	28,900,000	.035598	.....
Feb. 28, 1909.....	27,805,000	.039380	.....
Feb. 28, 1910.....	31,130,900	.036349	.....
Feb. 28, 1911.....	25,938,700	.036021	.....

GARLAND FACTORY.

Feb. 28, 1907.....	29,761,500	\$0.032371	.....
Feb. 29, 1908.....	17,317,500	.034283	.....
Feb. 28, 1909.....	18,586,500	.036435	.....
Feb. 28, 1910.....	19,868,000	.034624	.....
Feb. 28, 1911.....	16,493,500	.033109	.....

IDAHO FALLS FACTORY.

Feb. 28, 1907.....	16,098,500	\$0.036041	.....
Feb. 29, 1908.....	18,080,700	.036278	.....
Feb. 28, 1909.....	15,081,700	.038295	.....
Feb. 28, 1910.....	15,778,000	.036985	.....
Feb. 28, 1911.....	14,258,400	.035981	.....

SUGAR CITY FACTORY.

Feb. 28, 1907.....	20,033,500	\$0.036802	.....
Feb. 29, 1908.....	19,514,400	.040064	.....
Feb. 28, 1909.....	19,063,300	.037976	.....
Feb. 28, 1910.....	17,018,400	.039468	.....
Feb. 28, 1911.....	13,054,500	.039158	.....

BLACKFOOT FACTORY.

Feb. 28, 1907.....	10,200,500	\$0.038453	.....
Feb. 29, 1908.....	12,603,500	.042424	.....
Feb. 28, 1909.....	9,291,300	.041868	.....
Feb. 28, 1910.....	7,455,500	.041294	.....
Feb. 28, 1911.....			\$51,252.36

NAMPA FACTORY.

Feb. 28, 1907.....	10,630,500	\$0.035697	.....
Feb. 29, 1908.....	11,884,400	.043327	.....
Feb. 28, 1909.....	8,873,500	.045746	.....
Feb. 28, 1910.....			\$122,938.50
Feb. 28, 1911.....	1,220,700	.159207	.....

STATE OF UTAH, County of Salt Lake, ss:

J. W. Timpson, being first duly sworn, says that he is the traveling auditor of the Utah-Idaho Sugar Co., and that the foregoing is a true and correct statement, showing cost of production of sugar manufactured at the factories of the Utah-Idaho Sugar Co. for a period of five years ending February 28, 1911.

J. W. TIMPSON.

Subscribed and sworn to before me, a notary public, this 4th day of August, 1911.

[SEAL.]

L. T. WHITNEY, Notary Public.

My commission expires September 9, 1912.

WESTERN SUGAR REFINING CO.,
San Francisco, Cal., July 29, 1911.

HON. THOMAS H. HARDWICK,
House of Representatives, Washington, D. C.

DEAR SIR: Inclosed I hand you answers to the questions which I was unable to answer accurately during my examination before the committee of which you are chairman and which questions your committee desired me to answer, if possible, upon further information. Since my return to California I have been compelled to spend a large part of my time at San Diego, away from San Francisco, the source of information, and this has been the cause of the delay in sending you this information. I have done my best to give you accurate and comprehensive answers to all the questions on which you desire further information, and I hope your committee will find them satisfactory.

I wish to emphasize here again, as I have in my answer to the question requiring information as to the amount of sugar sold by us in the different States, that this information should be considered as confidential by your committee. It would be very unfair to us to permit this information to be furnished to our competitors. I sincerely hope your committee will be able to regard this request favorably.

Thanking you for your courtesy to me, I am,
 Yours, truly,

JOHN D. SPRECKELS.

(P. 934.) Question. Can you definitely fix the year that negotiations for the sale of the Spreckels Sugar Refining Co. of Philadelphia were closed?—Answer. In the spring of 1892.

(Pp. 935-936.) Question. Tell us the extent of the interest of yourself and Mr. A. B. Spreckels in the Hawaiian sugar plantations.—Answer. Approximately \$1,700,000.

(P. 948.) Question. What is the amount of the Spreckels Sugar Co.'s investment?—Answer. Total investment, December 31, 1910, \$9,468,592.62; Ranches and equipment included in the above total, \$1,934,968.81; 41.5 miles of railroad and equipment necessary for the operation of ranches and factory, also included in the above total, \$666,464.79.

(P. 954.) Question. Can you furnish us with a copy of the contracts the Western Sugar Refining Co. has with plantations in the Hawaiian Islands?—Answer. Copy attached (Form W-319):

This agreement, made and entered into this — day of —, nineteen hundred and — by and between —, party of the first part, hereinafter called the seller, and the Western Sugar Refining Co., of San Francisco, a corporation, organized and existing under the laws of the State of California, party of the second part, hereinafter called the buyer.

Witnesseth, that the parties hereto, for and in consideration of one dollar (\$1), by each to the other in hand paid, the receipt of which is by each hereby acknowledged and for other valuable considerations them thereto moving, have covenanted, agreed, and bound themselves, and do by these presents hereby covenant, agree, and bind themselves as follows, to wit:

1. The seller bargains and sells and agrees to deliver to the buyer, and the buyer agrees to accept from the seller, at the port of San Francisco, and for the prices and upon the conditions hereinafter named, all the sugar produced upon and shipped from the plantation of the seller during a period of — from — to — both dates inclusive.

2. The date of any shipment shall be determined by the date of the bill of lading.

3. All sugar shall be delivered in accordance with the custom of the port of discharge in good order and sound condition on the sugar refinery's wharf, or on such safe wharf, dock, or pier, where vessels can at all times lie afloat, as shall be designated by buyer.

4. The buyer shall have the privilege of ordering the vessel or shipment to be discharged at more than one wharf, dock, or pier, but the extra expense, in that event, shall be paid by the buyer.

5. It is understood that delivery at port of discharge shall be made ex vessel by mark.

6. The buyer agrees to pay to the seller at the port of delivery for each and every pound of sugar delivered, the same price or sum which centrifugal sugars of 96 degrees polarization were sold for in the New York market, including duty, if any, on the day previous to the arrival of such sugar at the port of discharge, subject, however, to the following deductions and additions, viz:

On all sugars of 93 degrees polarization and upward, a deduction of one-quarter ($\frac{1}{4}$) of a cent per pound; below 93 degrees down to and including 90 degrees, a deduction of three-eighths ($\frac{3}{8}$) of a cent per pound; below 90 degrees a deduction of one-half ($\frac{1}{2}$) of a cent per pound; with an addition to said price, above mentioned, of one thirty-second ($\frac{1}{32}$) of a cent per pound per degree on all sugars above 96 degrees polarization;

and a further deduction from said price of one-sixteenth ($\frac{1}{16}$) of a cent per pound per degree on all sugars below 96 degrees polarization, fractions of a degree in proportion.

7. For the mutual convenience of the parties hereto it is understood that the date of arrival for all sugars delivered at San Francisco shall be the date of arrival as reported by the merchants' exchange of that city.

8. The terms of payment by the buyer shall be net cash in ten (10) days after date of final delivery, at port of discharge, of each cargo, payable in current money of the United States to ———, our agents in San Francisco.

9. In case of a general reduction in the tariff duty on sugars, a further reduction from the purchase price hereinabove mentioned shall be allowed to the buyer, on all sugars arriving at the port of delivery within 45 days previous to the taking effect of the new duty, of a sum equal to the reduction in the duty.

10. The selling price of centrifugal sugar in the New York market shall be ascertained by the reports of Nevers & Callaghan, sugar brokers in New York City, or by the reports of any other reputable sugar brokers in said city, who may hereafter be agreed upon by the parties hereto. Said selling price shall be deemed to be the price at which bona fide sales, whether private or public, are actually made, including duty, if any, in the regular course of trade, for a minimum quantity of two hundred (200) tons; but shall not include sales of Egyptian Crystals, or to tobacconists, or grocery sugar for direct consumption, or sugars sold in New York for export to Canada, or sales of Hawaiian sugars in the open market of New York, and no quotations shall be considered unless based upon actual bona fide sales. In case no such sales shall have been made on the date previous to arrival at port of delivery, as above provided, of any sugar deliverable under this contract, then the last actual bona fide sale previous to date of arrival shall govern. In case of sales at different prices on the same day, then the average bona fide price paid on such day shall govern. In case the latest reported price for said centrifugal sugar shall be for sugar afloat, or for prompt shipment, but reasonably due within four weeks, being the quotations known in the trade as "Cost and freight" or C. F. & I., then there shall be added to such reported price such sum as shall make it equal to the price for "spot sales" of sugar of the same quality; and the pound sterling shall be converted into United States currency at the rate of \$4.87 per pound sterling, and the loss of weight on Javan cargoes to be considered to be one-half of 1 per cent.

11. It is understood that any sales of Hawaiian sugars outside of this contract shall not effect the basis of price for deliveries under this contract.

12. The grade of all sugars delivered under this contract shall be determined by polarizations made by both parties hereto, or their agents, from samples to be jointly taken upon the delivery of each lot, and the average test shall be the basis of settlement. In case such polarizations shall differ more than five-tenths ($\frac{5}{10}$) of a degree, then the parties shall select a competent person to make a third polarization from the combined samples originally taken by both parties, and the average of the two nearest polarizations shall be the basis of settlement; provided, however, that in no case shall the grade be fixed higher than the higher, or lower than the lower of the said first two polarizations. The expense of the said third polarization shall be divided equally between the parties hereto.

13. The buyer agrees not to grant any better price or terms for San Francisco delivery than those provided for in this contract to the sellers of any other Hawaiian sugars which it may purchase during the continuance of this contract.

14. All sugars lost by fire or perils of the sea, in transit from the Territory of Hawaii to the port of destination, or before delivery to buyer, or ordered to be sold for account of underwriters, shall be deemed to be excepted from the operation of this contract.

15. In case of damage to any sugars delivered under this contract, it is mutually agreed, in order to facilitate the settlement of claims for such damage, that the buyer shall accept on the dock where the sugar is ordered by them to be delivered, all sugars which, by the application of the salt water test, show evidence of salt water damage, at the actual polarization, and at the net price hereinabove mentioned for sound sugars, but with an additional deduction for such damage of three thirty-seconds ($\frac{3}{32}$) of a cent per pound. If, however, this allowance is changed by custom of the trade, the same change is to apply to the sugars delivered under this contract. Buyer also agrees to accept all sugars affected by sweat or fresh water, showing a deterioration of two (2) degrees, or more, from the average polarization of the sound sugars of the same mark, at the actual polarization, and at the net price hereinabove mentioned, but with an additional deduction of one-sixteenth ($\frac{1}{16}$) of a cent per pound for such damage.

16. It is further agreed that all matters of disagreement arising under this contract, which can not be adjusted by the parties to their mutual satisfaction, shall be left to arbitration. Each party shall select one impartial arbitrator, and the two so selected, if unable to agree, shall select a third arbitrator, and the decision of any two of said

arbitrators shall be final and conclusive on the parties hereto. Any expense attached to such arbitration shall be borne by the party against whom the decision is rendered.

17. If a schedule tare can not be arranged to the mutual satisfaction of buyer and seller, then the actual tare on all sugars delivered under this contract shall be ascertained according to the custom of the trade, and deducted.

18. The seller also covenants and agrees with the buyer, that all sugars delivered under this contract shall be of the usual character and color of Hawaiian sugars; and that under no circumstances whatever will any sugar, subject to this contract, be held back in the Territory of Hawaii, but the same shall be shipped to the buyer as fast as practicable, and as it is turned out, without mixing the different grades of dry sugar.

This contract shall bind the heirs, executors, and assigns of the respective parties hereto.

In witness whereof, the said parties hereto have caused these presents to be signed.

By _____
 By _____
 WESTERN SUGAR REFINING CO.
 By _____
 President.
 By _____
 Secretary.

(P. 956.) Question. Can you give us a general idea as to the cost of labor for cultivating and harvesting beets—I mean day labor—how much it is per day in the field?—Answer. White field labor.—Wages \$1.50 per day, at 26 days, equals \$39, with board and lodging at \$15 per month, making a total of \$54 per month.

Asiatic field labor.—This labor is almost universally a matter of contract; that is, we enter into a contract with a boss contractor at a certain amount per acre for different classes of work. The detailed figures of the Asiatics working and the amounts of money expended covering a period of nine months on a representative ranch of this company and as passed through our books show that the contractor paid for 105,711 hours' labor \$21,298.03, which is equal to 20.15 cents per hour. These men board themselves. Allowing 11 hours per day, at 20.15 cents per hour, equals \$2.2165 per day, which, at 26 days, equals \$57.6290 per month. This compares with the above figures for white labor of \$54 per month.

It is noticeable that the Asiatics make more money than the white men, but I wish to state that the actual work, such as thinning, hoeing, topping, and loading beets in wagons, is performed by Orientals entirely; white men, with not even one single exception, will not do this work, even though it pays better than other farm work, such as milking, haying, or driving a team. White men usually prefer to use farm machinery.

(Pp. 969-970, 972-974.) Question. Have you a copy of the contract made in April of 1903 with the California & Hawaiian Sugar Refining Co.?—Answer. Can not be found; probably destroyed in fire of April, 1906.

(P. 977.) Question. But, as a matter of fact now, is it not true that you began to compete with them (the California Beet Sugar & Refining Co.), and to put down the price of your sugar soon after they went into the business?—Answer. Impossible to answer the foregoing, as all price cards prior to April, 1906, were destroyed in the fire of that month and year. My impression is that prices remained stationary, or at a normal differential in comparison with raw sugars for fully a year afterwards.

(P. 979.) Question. Now, I will ask you if, as a matter of fact, the price in the immediate territory in which you and these men (California & Hawaiian) were selling sugar did not increase—I mean, the price of refined sugar—after you made this lease, and took possession of their property?—Answer. I was mistaken about not raising the price. Our price cards before the fire were all destroyed. I learn that at the time of making this lease we were selling refined sugar at not above the actual cost of the manufactured product. Owing to the increased cost of manufacture on the coast, our prices normally range a shade above the New York price. I find that shortly after this date, we did raise the price to correspond with the New York price which was about 4.65; and we made our price 4.75.

(P. 980.) Mr. MADISON. What name did they give their company at the beginning?

Mr. SPRECKELS. I think they called it the Crockett Refinery.

Mr. MADISON. When was that changed to the California & Hawaiian Sugar Refining Co.?

Mr. SPRECKELS. I am not prepared to answer that. Those records can be had.

Mr. MADISON. Anyhow, there was a change of ownership after the lease expired?

Mr. SPRECKELS. Yes.

Mr. MADISON. There was a new crowd came into control of the corporation?

Mr. SPRECKELS. Yes.

Answer. It is my impression that the plant at Crockett was first known as California Beet, Sugar & Refining Co. Unless I am mistaken it was subsequently changed to California & Hawaiian Sugar Refining Co., but just when I am unable to say.

(P. 996.) Question. How much has the price of sugar at wholesale varied during the past five years?—Answer. Average price received for refined sugar f. o. b. San Francisco: 1906, 4.482; 1907, 4.645; 1908, 5.056; 1909, 5.020; 1910, 5.286.

(P. 996.) Question. Can you tell us the quantity you shipped to each State?—Answer. As requested by the committee, I inclose a statement of our sales in each State during the period 1906–1910. I have no objection to furnishing this information to the committee, but I believe it should be considered confidential. I protest against having our business published broadcast for the benefit of our competitors.

Sales of sugar, 1906-1910, inclusive.

States and Territories.	1906		1907		1908		1909		1910	
	Cane.	Beet.	Cane.	Beet.	Cane.	Beet.	Cane.	Beet.	Cane.	Beet.
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
California.....	89,004,012	18,241,232	74,313,479	18,898,000	74,421,976	2,867,500	82,178,174	11,191,850	64,047,884	12,770,184
Oregon.....	27,043,835	3,627,600	19,474,900	5,377,200	23,058,135	856,700	26,040,041	2,792,900	20,730,451	3,330,416
Washington.....	36,398,760	10,109,589	28,415,930	11,145,640	38,590,223	3,825,300	41,932,850	7,386,400	29,480,584	13,199,700
Alaska.....	381,425	66,900	247,260	60,000	247,772	5,000	413,574	86,200	336,068	386,100
Idaho.....	5,144,221	1,869,400	4,122,189	2,408,000	6,265,830	603,100	7,480,051	1,113,200	7,164,883	1,792,900
Nevada.....	3,017,039	1,151,200	3,366,603	1,427,300	2,908,851	507,800	3,058,999	1,075,900	1,846,965	1,345,600
Arizona.....	3,328,045	721,500	2,388,804	2,803,200	2,788,858	499,000	1,830,271	328,000	1,570,183	176,300
New Mexico.....	2,585,860	842,100	930,432	1,735,100	2,904,621	640,500	885,934	1,340,300	563,757	925,200
Colorado.....	15,232,611	1,931,800	12,133,286	3,145,100	16,866,600	750,800	16,655,515	1,649,300	13,235,273	2,000,500
Utah.....	4,931,468	90,000	4,191,160	852,000	6,924,857	1,287,600	6,162,042	535,000	7,889,920	590,500
Wyoming.....	1,388,508	283,500	2,283,143	999,500	2,282,148	873,000	1,618,659	700,900	1,270,687	1,793,800
Montana.....	8,150,500	668,000	6,684,443	5,026,900	9,162,365	1,144,900	7,292,411	2,688,050	5,442,276	4,986,400
North Dakota.....		120,000		300,000	409,045					720,000
South Dakota.....		40,000		180,000	299,327	480,000	838,406	1,320,000		1,860,000
Nebraska.....		2,400,000		1,950,000	1,978,576	4,990,000	1,839,924	1,290,000	783,646	3,410,000
Kansas.....	234,678	1,440,000	2,628,464	3,240,000	10,775,444	12,213,900	5,096,742	480,000	702,085	4,768,200
Minnesota.....		1,400,000		2,100,000	5,157,695	5,160,000	5,423,497	7,160,000		5,020,000
Missouri.....		1,170,000		3,150,040	12,857,306	5,034,200	5,385,298	840,000	425,893	3,160,000
Wisconsin.....		180,000			215,889	60,000		120,000		
Iowa.....		1,320,000		3,539,720	4,996,261	5,815,000	1,563,161	6,100,000	214,560	1,440,000
Texas.....	185,057	117,500	118,059	254,500	717,233	150,300	83,863	213,400	65,091	326,000
Oklahoma.....		30,000			336,467		3,573,000	660,000	60,000	1,620,000
Arkansas.....									60,000	90,000
Illinois.....					60,000	120,000				
Subtotal.....	197,026,019	47,819,321	164,703,451	68,592,200	224,225,478	47,874,600	218,952,412	49,071,400	155,890,206	65,801,800
Grand total.....	244,844,340		233,295,651		272,100,078		268,023,812		221,692,006	

(Pp. 998-1008.) Question. I wish you would file with the committee a statement of what your dividends have been on the capital stock of that refinery—Western Sugar Refining Co.—during the past five years, say.

Answer.—

	Capital.	Surplus.	Plant.	Total.	Dividends.
1906.....	\$1,000,000	\$1,957,570.84	\$3,937,500	\$6,895,070.84	.....
1907.....	1,000,000	1,995,199.27	3,500,000	6,495,199.27	.....
1908.....	1,000,000	2,827,043.21	3,500,000	7,327,043.21	\$500,000
1909.....	1,000,000	3,111,130.10	3,500,000	7,611,130.10	2,500,000
1910.....	1,000,000	1,893,606.80	3,500,000	6,393,606.80	.....

NOTE.—It will be observed that no dividends were declared during the years 1906, 1907, and 1910. This was occasioned by the necessity for the use of large amounts of capital necessary for payment for raw material which the company is compelled to carry. Therefore during those years our stockholders were compelled to deny themselves dividends and used the surplus in the business. The only dividends declared during the whole period 1906-1910, inclusive, amount to \$3,000,000. There should be added to this the sum of \$615,170.74 paid as rents to the owners of the plants, who were themselves the stockholders. This total disbursement of \$3,615,170.74 during the whole period 1906-1910, inclusive, shows that the owners received an average return on their investment during the whole period equal to 0.10412 per cent per annum.

(Pp. 999-1008.) Mr. MALBY. You have paid 7 per cent during the several years last past, and prior to that time you defaulted in payment?

Mr. SPRECKELS. The last two or three years, I think; part of that time, I believe, we did not make any profit.

Mr. MALBY. I will ask you to also furnish the committee with a statement of any surplus which you have.

Answer.—

Spreckles Sugar Co.

Money actually originally invested by stockholders.....	\$6,500,000
Capital stock.....	5,000,000
<hr/>	
Showing surplus invested by stockholders.....	1,500,000
Additional surplus from accumulation of earnings.....	2,968,592
<hr/>	
Actual surplus.....	4,468,592
Add capital.....	5,000,000
<hr/>	
Total investment.....	9,468,592

Dividends declared from the inception of the company:

1900.....	\$350,000	1906.....	\$350,000
1901.....	350,000	1907.....	350,000
1902.....	350,000	1908.....	None.
1903.....	350,000	1909.....	350,000
1904.....	350,000	1910.....	350,000
1905.....	350,000		

The above equals 7 per cent on the bare capital stock of \$5,000,000, with nothing for the year 1908 and nothing at any time on the surplus above capital stock, although a large amount of this surplus was originally contributed by the stockholders as a part of their investment.

Covering several years the company could not pay a dividend within the calendar year; so, when the payment was made at a later date it was on account of such deferred dividend.

(P. 1002.) Question. Can you give us the price at which sugar sold at wholesale at or about the time that you entered into this lease? (California & Hawaiian Sugar Refining Co.)

Answer. This was answered under page 979.

(P. 1019.) Question. About what proportion of your total consumption of beets do you raise yourselves?

Answer. In 1910, 36 per cent.

(P. 1020.) Mr. GARRETT. Can you also supply, in connection with that, on the average of about how many men you employ in the field?

Mr. SPRECKELS. Yes, so far as our own acreage is concerned.

Mr. GARRETT. That is what I mean.

Mr. SPRECKELS. Yes, I think it would be a little difficult for me to do that because we contract with the men who employ the Japs, and they will take the contract to do all the work, so we ourselves do not directly employ the men.

Mr. GARRETT. If you can give something like an estimate that you would be willing to state, I would be glad to have you send that to us.

Mr. SPRECKELS. Yes, I will do that.

Answer. White labor employed in the field during 1910 averages 248 men.

We estimate that the number of Asiatics working on all classes of farm work (and this work is almost universally done under contract as explained in answer to question on page 956) does not exceed 100 men per day.

[The American Sugar Refining Co.]

Details of condensed balance sheet, December 31, 1910.

ASSETS.

Real estate and plant, including refineries, warehouses, cooperages, wharves, and stables, with their machinery and equipment; timber, and other lands owned in fee or through ownership of the entire capital stock of constituent companies, at cost, less depreciation:

American Sugar Refinery—

Refineries plant account..... \$34,768,493.93

Brooklyn Cooperage Co..... 948,630.36

Brooklyn Cooperage Co.,
improvement account... \$4,334,108.41

Less Pennsylvania Stave
Co., capital stock in-
cluded therein..... 25,000.00

4,309,108.41

Brooklyn Cooperage Co., land account.... 145,127.12

Insular Improvement Co. of California... 250,000.00

Sugar City, Idaho, farm..... 45,039.73

American Sugar Refinery, New York, re-
fineries plant account..... 4,388,540.78

Franklin—

Plant account..... 5,000,000.00

Real estate and buildings..... 786,449.98

Machinery..... 326,503.34

Spreckels—

Plant account..... 5,000,000.00

Real estate..... 326,674.20

Machinery..... 968,096.71

Furniture..... 100.00

Pennsylvania, Oswego land..... 10,203.08

57,272,967.64

Less depreciation—

American Sugar Refinery—

Refineries plant..... \$1,392,937.96

American Sugar Refin-
ing Co. of New York.. 292,240.73

Brooklyn Cooperage... 1,867,111.07

Franklin, depreciation ac-
count..... 394,123.79

Spreckels, depreciation ac-
count..... 663,877.02

Pennsylvania, depreciation 138,083.56

4,748,374.13

\$52,524,593.51

Investments, bonds and stocks:

American Sugar Refinery—

\$1,000,000 Third Avenue R. R. 4 per cent bonds.....	\$650, 000. 00
4,154.4 shares Continental Sugar Co.....	505, 440. 00
100 shares State National Bank of New Orleans.....	10, 000. 00
14,850 shares Alameda Sugar Co.....	203, 874. 93
25,000 shares Spreckels Sugar Co. of California.....	2, 450, 077. 48
30,000 shares Menominee River Sugar Co.....	285, 000. 00
51,282 shares National Sugar Refining Co. of N. J.....	5, 128, 200. 00
51,592 shares Great Western Sugar Co. of New Jersey, preferred.....	4, 052, 287. 07
36,225 shares Great Western Sugar Co. of New Jersey, common.....	
8,505 shares The Amalgamated Sugar Co., preferred.....	705, 433. 50
4,252 shares The Amalgamated Sugar Co., common.....	
4,837 shares Carver County Sugar Co.....	459, 515. 00
22,500 shares Lewiston Sugar Co.....	225, 000. 00
20,438 shares Michigan Sugar Co., preferred.....	2, 620, 958. 21
27,074 shares Michigan Sugar Co., common.....	
465,050 shares Utah-Idaho Sugar Co., preferred.....	3, 014, 076. 88
4,165 shares Iowa Sugar Co.....	405, 650. 00
75 shares Compania Mercantil de Cuba.....	.....
5,000 shares Western Sugar Refining Co. of San Francisco.....	500, 000. 00
500 shares Great Western Land Co.....	50, 000. 00
Walter A. Zelnicker mortgage.....	51, 000. 85
J. Eavenson & Son, Inc., mortgage.....	80, 000. 00
Spreckels, Philadelphia Bourse stock.....	100. 00
New Orleans, Louisiana Sugar Exchange membership.....	677. 50
Pennsylvania Telephone stock.....	100. 00

\$21, 397, 391. 42

Investments, fire insurance fund:

American Sugar Refinery—

\$500,000 New York Gas & Electric Light, Heat & Power Co. 4 per cent bonds..	428, 750. 00
\$1,000,000 Chicago, Burlington & Quincy 3½ per cent bonds.....	930, 000. 00
\$500,000 Northern Pacific P/L 4 per cent bonds.....	516, 250. 00
\$250,000 Baltimore & Ohio 4 per cent bonds	250, 000. 00
\$700,000 Chicago & Alton 3 per cent bonds.	552, 125. 00
\$500,000 Atchison, Topeka & Santa Fe Genl. 4 per cent bonds.....	503, 125. 00
\$1,000,000 New York City Tax Exempt 3½ per cent bonds.....	922, 500. 00
\$250,000 New York Central (Lake Shore Coll.) 3½ per cent bonds.....	213, 750. 00
\$75,000 New York Central (Michigan Central Coll.) 3½ per cent bonds.....	64, 125. 00
\$500,000 New York City Non Exempt 3½ per cent bonds.....	488, 750. 00
\$1,000,000 American Telephone & Telegraph 4 per cent bonds.....	912, 500. 00

5, 781, 875. 00

Merchandise and supplies, including raw and refined sugar, sirup, material in process of manufacturing, bone black, cooperage, horses, wagons, harness, and other stock and supplies on hand:

American Sugar Refinery—

Meltings.....	\$930,722.25
Import stock.....	786,524.28
Raw sugar stock.....	1,670,238.71
Bone black.....	128,254.10
Petty inventory.....	91,072.64
Trucking inventory.....	34,922.34

\$3,641,734.32

American Sugar Refinery, New York—

Meltings.....	1,762,613.42
Bone black.....	598,949.57
Petty inventory.....	176,201.01
Oil stock, storage, and supply.....	2,115.98
Trucking department.....	92,156.20

2,632,036.18

Franklin—

Refined sugars.....	504,378.31
Bone black.....	135,266.31
Stores.....	1,834.55

641,479.17

Spreckels—

Refined sugar.....	1,247,791.13
Raw sugar.....	124,607.52
Bone black, coal, and filter bags.....	255,697.47
Barrels, bags, and paper...	55,434.21
Horses, trucks, etc.....	19,258.43
Feed, etc.....	11,236.12
Dunnage.....	864.35

1,714,889.23

Standard—

Refined sugar.....	253,078.02
Raw sugar.....	549,580.30
Bone black.....	91,923.47
Fuel.....	26,905.36
Cooperage.....	24,403.79
Filter bags.....	4,981.85

950,872.79

Chalmette—

Melting.....	1,681,821.39
Bone black.....	175,654.00
Storeroom.....	121,097.68
Fuel.....	12,005.12
Packages.....	1,518.38
Commissary.....	207.54

1,992,304.11

Louisiana—

Raw sugar.....	2,730,502.18
Raw sugar granulated.....	8,321.88
Raw sugar supplies.....	130,296.80
Bone black.....	104,157.50
Storeroom.....	4,196.61
Fuel.....	120.87

2,977,595.84

Brooklyn Cooperage—

Barrel plants.....	1,316,644.59
Adirondack Mills.....	311,159.96
Pennsylvania Stave Co....	258,061.61
Poplar Bluff.....	85,413.89
Cross Forks.....	35,518.42

2,006,798.47

\$16,557,710.11

Prepaid accounts, insurance, taxes, etc.:

American Sugar Refinery—

Employers' Liability As-
surance Corporation.....

\$32,585.08

Fire insurance premiums..

67,329.96

\$99,915.04

Franklin insurance.....

168.80

Chalmette freight and insurance.....

85,854.55

\$135,438.39

Loans:

American Sugar Refinery—

Butler Co. R. R.....

12,000.00

Great Western Land Co....

290,000.00

Ragus Tea & Coffee Co.....

200,000.00

Compañía Mercantil de

Cuba.....

183,796.14

Iowa Sugar Co.....

375,000.00

Thomas R. Cutler.....

50,000.00

1,110,796.14

Standard, George A. Fernald & Co.....

485,000.00

1,595,796.14

ACCOUNTS RECEIVABLE.

American Sugar Refinery:

Sales.....

\$241,728.84

Chicago and Milwaukee con-
signments.....

8,757.13

Indianapolis and Cincinnati
consignments.....

268,208.15

Drawbacks.....

36,403.83

Doubtful debtors.....

680.22

Shortage.....

903.88

Claims.....

2,796.11

J. H. Schroder & Co.....

591.90

G. H. Salmon.....

255.14

Sundry collections.....

5,822.69

Bone black.....

1,682.47

Trucking.....

60.45

Special expense.....

12.50

Atlantic Mutual Insurance Co.,
scrip.....

13,360.00

Sundry account.....

215.90

Great Western Land Co.....

99,305.95

Insurance Spreckels Sugar Re-
finery Co.....

1,744.61

Insurance Franklin Sugar Re-
finery Co.....

436.16

682,965.93

American Sugar Refinery, New
York:

Sales.....

664,379.07

Chicago and Milwaukee consign-
ments.....

54,230.92

Indianapolis and Cincinnati
consignments.....

185,563.38

New Orleans consignments....

2,368.74

Atlantic Mutual Insurance Co.,
scrip.....

26,930.00

Sundry collections.....

12,968.30

Drawbacks.....

57,759.03

Shortage.....

2,131.00

Claims.....

5,382.20

Doubtful debtors.....

406.58

New York sugar trade labora-
tory.....

460.15

Trucking.....

690.52

1,013,269.89

Franklin:		
Sales.....	\$889,711.22	
American Sugar Refinery Co., Jersey City (due from cus- tomers).....	19,278.69	
Drawbacks, refined sugar.....	8,707.31	
Sundry debtors (general ledger)	110.20	
Sundry debtors (factor ac- counts).....	827.68	
Transportation overcharges....	1,476.48	
Atlantic Mutual Insurance Co., scrip.....	3,210.00	
Drawbacks, sirup.....	363.47	
		\$923,685.05
Spreckels:		
Sundry accounts.....	24,486.30	
Special expense	5,779.14	
		30,265.44
Standard:		
Sales.....	385,197.86	
Imports.....	2,994.71	
Cooperage.....	29.60	
Fuel.....	526.16	
Sundry accounts.....	1,232.31	
Repairs, machinery.....	72.55	
City office expense.....	2.09	
Boiler-house improvement.....	274.37	
Claims.....	291.10	
		390,620.75
Chalmette:		
Sales.....	969,887.98	
Empty packages.....	9,078.61	
Commissary.....	169.60	
Employers' liability assurance.	1.00	
Office expense.....	215.87	
Clarification.....	101.63	
Repairs machinery.....	7.80	
Chemicals.....	1,910.42	
Wages.....	84.46	
Rent Government building....	45.00	
Fuel.....	44.15	
Brooklyn Cooperage Co.....	419.11	
		981,965.63
Louisiana:		
Chalmette Wharf extension....	8,127.37	
Rent, Decatur Street Triangle..	25.00	
Maintenance.....	44.56	
		8,196.93
Brooklyn Cooperage:		
Advance freight.....	245.46	
Arkell Safety Bag Co.....	1,258.30	
American Trading Co.....	2,940.00	
Arkell & Douglas.....	6,895.00	
American Molasses Co.....	1,347.50	
Arnold Karberg & Co.....	4,900.00	
J. W. Bailey.....	47.48	
Cobb & Drew, Inc.....	164.20	
Corn Products Refining Co.....	1,297.50	
Deposit on gas meter.....	3.00	
Franklin Refinery.....	33.66	
Ideal Confectionery Co.....	312.00	
Keys Church Co.....	515.00	
La Belle Iron Works.....	932.45	
A. S. Lascelles Co.....	1,442.50	
Moore Lumber Co.....	625.00	
New Orleans petty ledger ac- counts.....	44,910.80	

Brooklyn Cooperage—Continued.

National Sugar Refining Co.....	\$38,913.38		
Petty ledgers, New York, Boston and Philadelphia.....	22,884.73		
U. S. Steel Products Co.....	3,965.85		
A. L. Blaisdell, note.....	400.00		
Bills receivable.....	6,578.18		
		\$140,611.99	
Poplar Bluff chattel mortgages.....	2,373.80		
Sundry persons.....	2,957.04		
		5,330.84	
Pennsylvania Stave, Erie R. R.....	1,001.95		
L. E. Larrabee.....	871.34		
		1,873.29	
			\$4,178,785.74

ACCRUED INCOME.

American Sugar Refinery:

Interest on bonds payable Jan. 1, 1911.....	42,500.00		
Interest general.....	89,281.33		
Interest Zelnicker mortgage....	1,500.00		
Dividends declared and payable early in January, 1911, on stocks of—			
National Sugar Refining Co. of New Jersey	76,923.60		
Continental Sugar Co.....	8,308.80		
Great Western Sugar Co....	135,567.25		
Amalgamated Sugar Co....	21,261.50		
Lewiston Sugar Co.....	4,500.00		
Utah-Idaho Sugar Co.....	81,383.75		
		461,225.63	
Standard, interest.....		223.89	

461,449.52

Cash with trust companies, in banks, and on hand:

American Sugar Refinery—

Knickerbocker Trust Co...	300,000.00
Franklin Trust Co.....	200,000.00
Kings County Trust Co....	200,000.00
Manhattan Trust Co.....	400,000.00
Trust Co. of America.....	100,000.00
Peoples Trust Co.....	300,000.00
Brooklyn Trust Co.....	400,000.00
Hamilton Trust Co.....	200,000.00
Mercantile Trust Co.....	400,000.00
Standard Trust Co.....	600,000.00
Central Trust Co.....	600,000.00
Farmers Loan & Trust Co..	1,700,000.00
Long Island Loan & Trust Co.....	300,000.00
Metropolitan Trust Co....	500,000.00
United States Mortgage & Trust Co.....	400,000.00
Empire Trust Co.....	100,000.00
Title Guarantee & Trust Co	500,000.00
New York Trust Co.....	300,000.00
Guaranty Trust Co.....	1,600,000.00
Lawyers' Title Insurance & Trust Co.....	500,000.00
Union Exchange National Bank.....	100,000.00
Corn Exchange Bank.....	100,000.00
Chase National Bank.....	1,100,000.00
First National Bank of Jersey City.....	135,390.90
First National Bank of Jersey City, commercial dividend account.....	787,682.25

Cash with trust companies, in banks,
and on hand—Continued.

American Sugar Refinery—Con.

First National Bank of Jersey City, preferred dividend account.....	\$787, 671. 50
First National Bank of Jersey City, loan account..	300, 000. 00
Philadelphia National Bank.....	129, 987. 23
M. & W. Refinery.....	494. 56
Cash in transit from New Orleans, received Jan. 3, 1911.....	177, 741. 47

\$13, 218, 967. 91

American Sugar Refinery, New York—

Bank of New York.....	64, 860. 28
National City Bank.....	254, 991. 15
National Bank of Commerce	390, 679. 82
Manufacturers National Bank.....	45, 592. 46
Philadelphia National Bank.....	160, 953. 35
H. & E. Refinery.....	441. 17
Petty cash (office).....	253. 17
Cash in transit from Philadelphia, received Jan. 3, 1911.....	100, 000. 00

1, 017, 771. 40

Franklin—

Philadelphia National Bank.....	83, 519. 65
Girard National Bank.....	104, 482. 31
Franklin National Bank...	84, 673. 17
Brown Bros. & Co.....	22, 505. 19
Fourth Street National Bank.....	10, 313. 86
Petty cash (office).....	492. 14
Refinery cash.....	9. 98

305, 996. 30

Spreckels—

Fourth Street National Bank.....	112, 089. 20
National City Bank, N. Y..	9, 203. 02
Refinery cash.....	984. 45

122, 276. 67

Standard—

Old Colony Trust Co.....	1, 002, 466. 57
American Trust Co.....	1, 002, 441. 67
Norfolk Trust Co.....	15, 446. 96
First National Bank.....	634, 795. 73
Second National Bank.....	459, 421. 41
State National Bank.....	57, 517. 95
Petty cash (office).....	85. 67
Refinery cash.....	1, 128. 37

3, 173, 304. 33

New Orleans—

Whitney Central National Bank.....	819, 893. 32
German American National Bank.....	329, 331. 75
Canal Louisiana Bank & Trust Co.....	96, 873. 09
Bank of St. Bernards.....	12, 774. 53

Cash with trust companies, in banks,
and on hand—Continued.

New Orleans—Continued.

First National Bank, Shreveport, La.....	\$67, 563. 73	
First National Bank, Mont- gomery, Ala.....	70, 161. 52	
American National Bank, Louisville, Ky.....	81, 154. 82	
Deposit Mounds, Ill.....	1, 000. 00	
Petty cash (office).....	369. 71	
Refinery cash.....	125. 00	
		\$1, 479, 247. 47

Brooklyn Cooperage—

Market & Fulton National Bank.....	34, 111. 18	
North Side Bank, Brooklyn	465. 21	
National Shawmut Bank, Boston.....	2, 231. 44	
Whitney Central National Bank, New Orleans.....	14, 394. 83	
Petty cash (office).....	67. 90	
Adirondacks.....	4, 229. 07	
Poplar Bluff.....	424. 11	
Pennsylvania Stave Co....	5, 750. 67	
		61, 674. 41

\$19, 379, 238. 49

122, 012, 278. 32

LIABILITIES.

Capital stock:

Preferred.....	\$45, 000, 000. 00	
Common.....	45, 000, 000. 00	
		\$90, 000, 000. 00

Sundry reserves, for fire insurance and contingen-
cies, American Sugar Refinery:

Fire insurance.....	7, 560, 354. 78	
Special (balance of \$500,000 set aside in 1909).	370, 676. 48	
Income tax.....	25, 000. 00	
Spreckles, income tax.....	9, 500. 00	
Brooklyn cooperage, income tax.....	4, 000. 00	
		7, 969, 531. 26

ACCOUNTS PAYABLE.

American Sugar Refinery:

Import suspense.....	\$8, 181. 06
Raw sugar.....	373, 631. 09
Western Sugar Refining Co.....	354, 122. 61
Insular Improvement Co.....	11, 098. 57
American Sugar Refinery Co., of New York, consignment...	16. 69
Claims suspense.....	2, 067. 31
Prepaid freight.....	4, 991. 77
Office expense.....	478. 08
Brokerage.....	9, 694. 70
Allowance.....	16. 37
Special conditional allowance..	769. 49
Guarantee allowance.....	981. 54
Transfer office.....	15. 30
E. F. Atkins.....	281. 00
Chicago & Milwaukee Consign- ment.....	33. 06
Indianapolis & Cincinnati Con- signment.....	437. 81

American Sugar Refinery—Continued.

Milwaukee & Western Refinery	\$69,865.17	
Trucking.....	990.20	
Boneblack.....	170.92	
Special expense.....	235.40	
Salary.....	1,856.25	
Fire insurance premiums.....	2,512.50	
Storage claims.....	22,688.86	
New Orleans drafts paid Jan. 3, 1911.....	300,409.80	
		\$1,165,545.49
American Sugar Refinery:		
Prepaid freight.....	21,611.26	
Special conditional allowance..	6,632.63	
Guarantee allowance.....	4,405.18	
Allowance.....	37.66	
Brokerage.....	15,226.31	
Office expense.....	419.60	
Claims suspense.....	2,882.25	
Greenpoint Refinery.....	138.17	
D. & D. Refinery.....	36.65	
Brooklyn Distillery property...	39.78	
North Second Street property..	268.12	
American Sugar Refinery Co. consignment.....	10.38	
Indianapolis & Cincinnati con- signment.....	644.22	
Chicago & Milwaukee consign- ment.....	46.34	
H. & E. Refinery.....	117,131.80	
Boneblack.....	13,002.05	
Petty inventory.....	800.00	
Sugar advertising.....	6,107.84	
General expense.....	657.54	
Rent.....	3,416.66	
Telegraph and telephone.....	548.47	
Trucking.....	3,778.98	
		197,841.89
Franklin Pier 31.....	172.99	
Sundry creditors (general ledger).....	1,325.36	
Cash discount.....	44,525.67	
Brokerage.....	12,260.55	
Refined sugar freight.....	2,828.78	
Unpaid bills.....	21,136.73	
Sundry creditors.....	4,760.03	
		87,010.11
Spreckels, sundry creditors.....	55,038.57	
Labor unpaid.....	20,616.48	
American Sugar Refinery Co..	1,005.84	
		76,660.89
Standard:		
Importation.....	149,051.19	
H. & E. consignment account..	1,560.78	
M. & W. consignment account..	531.59	
Labor.....	6,164.50	
Light.....	64.78	
Filter bags.....	438.94	
Continental Refinery.....	22.88	
Water (due).....	7,414.80	
Water (accrued).....	2,324.75	
Boneblack.....	8.75	
Chemicals.....	301.57	
Sales account.....	522.26	
Brokerage.....	1,824.04	
Cooperage.....	780.91	

Standard—Continued.

Char Filter House Improvement.....	\$247. 81	
Fuel.....	3, 440. 73	
Cartage.....	1, 159. 46	
Empty packages.....	185. 81	
Trade discount.....	157. 75	
Lubricants.....	84. 37	
Refinery Office expense.....	91. 11	
Laboratory.....	1. 60	
Petty expenses.....	59. 92	
Repairs buildings.....	405. 89	
Repairs machinery.....	211. 34	
City office expense.....	366. 29	
Fire protection system.....	37. 24	
Storage refined sugar.....	200. 94	
Pan House improvement.....	2. 37	
Boiler House improvement....	505. 06	
		\$178, 169. 43

Chalmette:

Special trade discount.....	2, 511. 80	
Sales expense.....	117. 66	
Thos. M. Johnson.....	200. 00	
Commissary.....	1, 482. 38	
Repairs buildings.....	334. 80	
Brokerage.....	11, 801. 50	
Mounds warehouse.....	561. 29	
Office expense.....	335. 96	
Store room.....	29, 994. 74	
Clarification.....	35. 76	
Repairs machinery.....	3, 942. 26	
Refined Sugar & Sirup storage..	86. 00	
Charges.....	1, 617. 64	
Chemicals.....	3, 438. 98	
Maintenance trackage and road bed.....	12. 78	
Switching.....	390. 59	
Wages.....	7, 265. 54	
Boneblack.....	77. 44	
Cartage.....	75. 85	
Packages.....	208. 79	
Fuel.....	23, 039. 91	
		87, 531. 67

Louisiana:

Raw sugar.....	365, 634. 73	
Raw sugar supplies.....	305, 909. 95	
Raw sugar expenses.....	5, 121. 12	
Machinery.....	345. 75	
Fire-protection equipment.....	258. 00	
Rent Tulane property.....	83. 33	
Crescent transfer.....	990. 98	
Maintenance.....	859. 52	

679, 203. 38

Brooklyn cooperage:

H. H. Bassett.....	213. 67	
H. A. Bennett Heading Co.....	1, 968. 35	
G. Y. Crawford.....	75. 52	
M. S. Daniels.....	504. 40	
Horse depreciation account....	3, 348. 00	
Michigan Head Lining Co.....	2, 995. 58	
W. K. Noble.....	506. 10	
Northern Ohio Cooperage Co....	2, 313. 90	
N. O. old barrel participation account.....	184. 62	
Ozark Cooperage Co.....	1, 691. 96	
Pelican Cooperage & Lumber Co.....	1, 225. 53	

Brooklyn cooperage—Continued.

T. B. Rice & Sons Co.....	\$1, 383. 72
Sundry persons.....	30, 487. 94
Sanborn & Sons Co.....	589. 00
Unpaid taxes.....	1, 479. 12
Unclaimed wages.....	95. 70
S. Wandell.....	239. 68
J. T. Wylie & Co.....	38. 47
Winans Cooperage Co.....	7, 143. 23
Oleona railroad expense and revenue.....	543. 43

\$57, 027. 92

Adirondacks, sundry persons.....	3, 922. 40
Poplar Bluff, sundry persons.....	5, 917. 77
Pennsylvania Stave Co., sundry persons.....	20, 667. 99
Pennsylvania Stave Co., suspense.....	18, 833. 42

\$2, 578, 332. 36

Dividends declared, including that payable Jan.
3, 1911, and former dividends unclaimed:

American Sugar Refining—

Dividends.....	1, 575, 353. 75
Unpaid dividends.....	14, 812. 00

1, 590, 165. 75

Surplus:

American Sugar Refining, as at Dec. 31, 1910.....	19, 874, 248. 95
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122, 012, 278. 32

HARBOR SPRINGS, MICH., August 3, 1911.

Mr. THOMAS W. HARDWICK,

Chairman Special Committee, House of Representatives,

Washington, D. C.

DEAR SIR: Upon receipt of your favor of July 29, I wired you that our auditor would be here to-day and that I would have the information prepared and forwarded to you at the earliest possible moment. I beg to inclose herewith sworn statement from Mr. W. A. Dixon, who is at present one of our vice presidents and general manager of the company; but he is really the man who has had charge and direction of all office work. He has his book of statistics with him, and his statement is exactly what would be made out by our present auditor if I forwarded to him in Denver. Mr. R. K. Marsh, who is at present our auditor, has only held the position for the past year and is not as familiar with the earlier years of our work as Mr. Dixon.

You will note that we have included all credits from by-products—pulp, molasses, sheep and cattle feeding, as well as company farming operations—in fact, all outside revenues have been credited to the cost of producing a bag of sugar. The pulp and molasses rightly belong, but sheep and cattle feeding and farming operations could just as well have been kept separately; but, unfortunately, our books have been kept in that way, and our cost of making sugar is reduced thereby, and we could not very well separate them at this time.

There is no question in my mind or that of any fair-minded business man regarding the adding of the 35 cents per bag for depreciation to the cost of sugar. We have always made this deduction for depreciation, but it has been charged direct to profit and loss and not figured in, as it should have been, in the cost of making the sugar. In addition to this charge for depreciation, there are other items, such as interest, exchange, storage, reconditioning sugar, taxes, and brokerage, all of which, to my mind, ought to be considered as a fair charge to the cost of making sugar, and which I would estimate at at least 15 cents per bag. In addition to that, it is a question whether the average freight charge should not be considered in making the actual cost. I know that argument is made by some of the beet-sugar manufacturers, and I am not sure but that they are correct. As there is no demand for our sugar at our factories, at least a very trifling one, the average freight charge would amount to at least 30 cents per bag before it can be delivered to the purchaser.

However, you asked for certain information and I have tried to give it to you exactly as called for.

Trusting same will be satisfactory, I am,

Yours, respectfully,

CHESTER S. MOREY.

P. S.—I note the last clause in your letter states that a similar request has been made of every beet-sugar manufacturer who has testified during the present hearings.

As far as I know, parties who testified have all been connected with the larger beet-sugar companies and I would suggest that if you wish to get a fair average of the cost of making sugar that you make this same request of every beet-sugar manufacturer in the United States. Am satisfied a great many of the smaller factories have not been able to make sugar as cheaply as the larger ones.

C. S. M.

HARBOR SPRINGS, MICH., August 3, 1911.

Mr. C. S. MOREY,
President Great Western Sugar Co.,
Harbor Springs, Mich.

DEAR MR. MOREY: As per your request, I give you herewith cost of manufacturing 100 pounds of sugar.

Net cost of manufacturing 100 pounds of sugar at factory doors.—Includes credits from by-products, pulp, molasses, sheep and cattle feeding, company farming operations, and all other outside revenues. Does not include charges to improvements nor depreciation, nor does it include freight, brokerage, insurance, and miscellaneous charges after sugar has left the factory.

	Campaigns.							
	1903-4	1904-5	1905-6	1906-7	1907-8	1908-9	1909-10	1910-11
Eaton.....	\$4.42	\$3.82	\$3.46	\$3.54	\$3.00	\$4.12	\$3.28	\$3.56
Greeley.....	3.49	3.39	3.58	3.43	3.01	3.87	3.24	3.52
Windsor.....	3.55	3.82	3.63	3.18	2.90	3.75	3.26	3.47
Fort Collins.....	4.80	3.62	3.65	2.91	2.76	3.44	3.06	3.28
Loveland.....	3.31	3.32	3.53	3.25	3.05	3.48	3.24	3.64
Longmont.....	3.89	3.25	3.57	3.01	2.87	3.29	2.99	3.45
Sterling.....			4.70	3.40	3.05	3.83	3.18	3.33
Brush.....				6.00	3.93	4.15	3.00	3.28
Fort Morgan.....				9.58	3.48	4.24	2.98	(1)
Billings.....				3.20	3.33	3.51	3.12	3.49
Scottsbluff (first campaign).....								3.85

¹ The Fort Morgan factory did not operate campaign 1910-11 on account of lack of sufficient supply of beets.

Average per year, \$3.33.

The average cost is shown per 100 pounds instead of 1 pound of sugar, as cost of bags is included in manufacturing cost. The amount of depreciation charged off each fiscal year would be from 28 to 43 cents per 100 pounds sugar.

The yearly average for the Colorado factories for the past eight campaigns is \$3.42, and adding to it as a fair average of 35 cents per bag for depreciation, would bring it to \$3.77 per hundredweight.

While I did not personally make up the foregoing figures, I was secretary of the companies up to March, 1905, assistant secretary of the Great Western Sugar Co., of New Jersey, from that time to October, 1905, when I was compelled to resign on account of ill health, returning to the Great Western Sugar Co., of New Jersey, as auditor in March, 1907, which position I held until July, 1910.

These figures are copied from a memorandum book of statistics which I have with me, and to the best of my knowledge and belief are what would obtain if taken direct from the general books.

Yours, respectfully,

W. A. DIXON,
Vice President and General Manager.

STATE OF MICHIGAN, County of Emmet, ss:

W. A. Dixon, being duly sworn deposes and says, that exhibit marked No. 1 and 2, hereto attached, are true to his best knowledge and belief, and that affiant is personally known to me.

W. A. DIXON.

Subscribed and sworn to before me this 3d day of August, 1911.

[L. S.]

WM. J. CLARKE,
Notary Public, Emmet County, Mich.

My commission expires January 22, 1913.

THE AMERICAN SUGAR REFINING CO.,
New York, August 10, 1911.

HON. THOMAS W. HARDWICK,
Chairman Sugar Investigating Committee,
Washington, D. C.

DEAR SIR: While under examination by your committee, I was asked in regard to a supposed purchase by The American Sugar Refining Co. of stock in the Union Pacific Tea Co.

As the record leaves the matter in doubt, I desire to say that after investigation I find the following to be the facts:

The American Sugar Refining Co. does not own any stock in the Union Pacific Tea Co. On May 29, 1903, it purchased 750 shares of the stock of the Ragus Tea & Coffee Co., which was either a subsidiary or affiliated corporation of the Union Pacific Tea Co. This stock, the American Sugar Refining Co. held until October 1, 1908, when it sold out its entire interest in the Ragus Tea & Coffee Co. Since that date, the American Sugar Refining Co. has not owned and does not now own, directly or indirectly, any stock whatever in the Ragus Tea & Coffee Co., or in the Union Pacific Tea Co., or in any of its affiliated concerns, or in any other tea or coffee concern.

I would be obliged if you would allow this letter to be printed as a part of the record of the proceedings before your committee.

Respectfully yours,

HENRY C. MOTT.

EXHIBIT "LOWRY No. 1."

TESTIMONY OF F. C. LOWRY.

I have obtained the following information from Messrs. Willett & Gray, and believe it to be correct:

Crops of Cuba, Porto Rico, and the Philippine Islands from 1898-1899 to 1903-1904 (crop years).

Year.	Cuba.	Porto Rico.	Phillip- pines.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1898-1909.....	345,261	55,000	76,000
1899-1900.....	308,543	35,000	62,785
1900-1901.....	635,856	80,000	55,400
1901-1902.....	850,181	85,000	78,637
1902-1903.....	998,878	85,000	90,000
1903-1904.....	1,040,228	130,000	84,000

Imports into the United States from Cuba, Porto Rico, and the Philippine Islands for calander years 1899 to 1904.

Year.	Cuba.	Porto Rico.	Phillip- pines.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1899.....	246,106	48,376	22,067
1900.....	252,087	33,216	5,987
1901.....	578,818	66,279	5,109
1902.....	792,024	84,827	2,580
1903.....	870,753	85,989	20,947
1904.....	1,124,793	116,942	22,100

The above statistics are all in tons of 2,240 pounds.

In comparing these figures, notice should be taken that the imports are for calander years, while the crop years contain part of one year and part of another, for which reason I give two years when specifying a crop.

Hawaiian Islands.

Crop, 1898-1899, 252,506 tons; imported into United States, 250,841 tons.

Crop, 1899-1900, 258,521 tons; imported into United States, 250,885 tons.

Total imports of all sugar. Tons of 2,240 pounds each.

	Tons.		Tons.
1910.....	2, 545, 149	1905.....	2, 056, 092
1909.....	2, 393, 564	1904.....	2, 246, 068
1908.....	2, 284, 791	1903.....	1, 982, 605
1907.....	2, 337, 352	1902.....	2, 092, 657
1906.....	2, 281, 599	1901.....	1, 932, 330

These figures cover total imports from foreign countries and our insular possessions, Porto Rico, Hawaii, and the Philippines.

I am advised by the Federal Sugar Refining Co. that on their purchases of Cuban centrifugal sugars for the six years, beginning 1905, the average cost was as follows:

Year.	Tons.	C. & F.	Duty paid.
		Cents.	Cents.
1905.....	50,025	2.941	4.311
1906.....	107,045	2.178	3.538
1907.....	143,325	2.329	3.689
1908.....	92,755	2.651	4.011
1909.....	192,375	2.529	3.889
1910.....	201,230	2.913	4.273

EXHIBIT "LOWRY No. 2."

Weekly London quotations from The Public Ledger for German beet sugar, 88 per cent Java centrifugals, and First Marks German granulated for the years 1905 to 1910, inclusive.

[Quotations below are given in shillings and pence per hundredweight, 112 pounds.]

		German beet root 88 per cent, prompt f. o. b.			Java afloat. Nos. 15 and 16.			First Marks German granulated f. o. b.		
		1910	1909	1908	1910	1909	1908	1910	1909	1908
Jan.	7..	12/ 4 12/ 8½	10/ 1 10/ 1½	9/11½ 9/10	13/4½	10/ 9	10/ 9	14/ 7½	12/ 2½	11/ 6½
	14..	12/ 8½ 13/ 0½	10/ 1½ 10/ 1½	9/10½ 9/10	13/7½	10/10½	10/ 9	15/-	12/ 2½	11/ 6½
	21..	13/ ½ 12/ 8½	10/ 1½ 10/ 2½	9/10 9/10	13/7½	10/10½	10/ 7½	14/ 9½	12/ 3½	11/ 6½
	28..	12/ 8½ 12/10½	10/ 2½ 10/ 1½	9/10 9/10	13/6	10/10½	10/ 7½	15/ 0½	12/ 4½	11/ 8½
Feb.	4..	12/10½ 12/10½	10/ 1½ 10/-	9/10½ 9/11	13/6	10/10½	10/ 9	15/ 0½	12/ 3	11/ 9½
	11..	12/10½ 13/-	10/- 10/ 1	9/11 9/10½	13/7½	10/10½	10/ 9	15/ 2½	12/ 3½	11/ 8½
	18..	13/- 13/ 4	10/ 1 10/ 0½	9/10½ 9/10½	13/7½	10/10½	10/ 7½	15/ 5½	12/ 3½	11/ 8½
	25..	13/ 4 13/10½	10/ 0½ 10/ 1½	9/10½ 10/ 1	14/4½	11/-	10/ 9	15/11½	12/ 4½	11/10½
Mar.	4..	13/10½ 14/ 6½	10/ 1½ 10/ 2½	10/ 1 10/ 3½	15/-	11/-	11/ 3	16/ 6	12/ 4½	12/ 1½
	11..	14/ 6½ 14/ 6½	10/ 2½ 10/ 3½	10/ 3½ 10/ 7	15/1½	11/ 1½	11/ 4½	16/ 6	12/ 5½	12/ 3½
	18..	14/ 6½ 14/ 6	10/ 3½ 10/ 6	10/ 7½ 11/ 3	15/1½	11/ 3	11/10½	16/ 5½	12/ 6	13/-
	25..	14/ 6 14/ 9	10/ 6 10/ 5½	11/ 3 11/ 4½	15/1½	11/ 3	12/-	16/ 7½	12/ 3½	12/11½
Apr.	1..	14/ 9 14/ 9½	10/ 5½ 10/ 4½	11/ 4½ 11/ 3½	15/1½	11/ 4½	12/-	16/ 9½	12/ 2½	12/ 9
	8..	14/ 9½ 14/ 7	10/ 4½ 10/ 4	11/ 3½ 11/ 6½	15/1½	11/ 6	12/ 1½	16/ 9	12/ 6	13/-
	15..	14/ 7 14/ 1½	10/ 4 10/ 4½	11/ 6½ 11/ 8½	14/9	11/ 6	12/ 1½	16/ 9½	12/ 6½	13/ 3
	22..	14/ 1½ 14/ 5½	10/ 4½ 10/ 5½	11/ 8½ 11/10½	14/9	11/ 6	12/ 3	16/ 9	12/ 3½	13/ 6
	29..	14/ 5½ 14/ 6	10/ 5½ 10/ 3½	11/10½ 11/ 9	14/7½	11/ 6	12/ 3	16/10½	12/ 1½	13/ 4½
May	6..	14/ 6 14/10	10/ 3½ 10/ 4½	11/ 9 11/ 8½	14/9	11/ 6	12/ 3	17/-	12/ 3	13/ 4½
	13..	14/10 14/ 8½	10/ 4½ 10/ 7½	11/ 8½ 11/ 7½	14/9	11/ 6	12/ 6	17/-	12/ 6	13/ 4½
	20..	14/ 8½ 14/10½	10/ 7½ 10/ 8	11/ 7½ 11/ 2	14/9	11/ 6	12/ 3	17/ 2½	12/ 7½	13/-
	27..	14/10½ 14/ 9½	10/ 8 10/ 8½	11/ 2 11/ 4	14/9	11/ 6	12/ 3	17/ 2½	12/ 8½	13/ 3
June	3..	14/ 9½ 14/ 4	10/ 8½ 10/ 7½	11/ 4½ 11/ 3½	14/7½	11/ 6	12/ 3	16/ 8½	12/ 8½	13/ 0½
	10..	14/ 4 14/ 6½	10/ 7½ 10/ 6	11/ 3½ 11/ 4½	14/7½	11/ 6	12/ 3	16/ 9½	12/ 7½	13/ 2½
	17..	14/ 6½ 14/ 3	10/ 6 10/ 5½	11/ 4½ 11/ 0½	14/6	11/ 6	12/ 3	16/ 6	12/ 6½	12/ 8½
	24..	14/ 3 14/ 7½	10/ 5½ 10/ 5½	11/ 0½ 10/11	14/4½	11/ 6	12/-	16/ 9½	12/ 7½	12/ 5½
July	1..	14/ 7½ 14/ 9	10/ 5½ 10/ 5½	10/11 11/ 5	14/4½	11/ 6	12/ 1	16/ 9½	12/ 6½	12/10½
	8..	14/ 9 14/10	10/ 5½ 10/ 5½	11/ 5 11/ 3½	14/6	11/ 6	12/ 3½	16/10½	12/ 6	12/ 9½
	15..	14/10 14/ 9½	10/ 5½ 10/ 5½	11/ 3½ 11/-	14/6	11/ 6	12/ 3½	16/ 8½	12/ 6	12/ 7½
	22..	14/ 9½ 14/10½	10/ 5½ 10/ 5½	11/- 10/ 7½	14/6	11/ 4½	12/ 1½	16/ 9½	12/ 6	12/ 4½
	29..	14/10½ 14/ 9½	10/ 5½ 10/ 8	10/ 7½ 10/ 6	14/6	11/ 4½	11/ 7	16/10½	12/ 9	12/ 2½
Aug.	5..	14/ 9½ 14/10½	10/ 8 10/10½	10/ 6 10/ 1½	14/7½	11/ 6	11/ 4½	17/-	13/-	11/ 9
	12..	14/10½ 14/10½	10/10½ 11/ 3	10/ 1½ 10/ 0½	14/6	11/ 9	11/11½	17/ 5½	13/ 6	11/10½
	19..	14/10½ 14/10½	11/ 3 11/ 7	10/ 0½ 9/ 8½	14/6	11/10½	11/-	17/ 4½	13/ 9	11/ 9
	26..	14/10½ 14/ 7½	11/ 7 11/ 6	9/ 8½ 9/ 5½	14/3	11/10½	10/ 9	17/ 3	13/ 8½	11/ 7½
Sept.	2..	14/ 7 13/-	11/ 6 11/ 9	9/ 5½ 9/ 8½	14/-	11/10½	10/ 6	16/ 7½	13/ 9½	11/10½
	9..	13/- 12/ 6	11/ 9 11/10½	9/ 8½ 9/ 8½	13/3	12/-	10/ 6	16/ 4½	13/11½	12/-
	16..	12/ 6 11/11	11/10½ 11/ 8½	9/ 8½ 9/ 9	12/6	12/-	10/ 9	15/ 3	13/10½	12/ 0½
	23..	11/11½ 11/ 7	11/ 8½ 11/ 9	9/ 9 9/10	12/6	12/ 0½	10/ 9	14/ 7½	13/ 9	12/ 3
	30..	11/ 7 10/ 1	11/ 9 14/ 3	9/10 9/ 6½	11/6	12/ 1½	10/ 9	13/ 9	14/-	12/ 0½
Oct.	7..	10/ 1 9/ 9½	10/10½ 11/ 3	9/ 6½ 9/ 7½	11/-	12/ 1½	10/ 9	12/ 3	13/ 9	11/10½
	14..	9/ 9½ 9/ 6½	11/ 3 11/ 0½	9/ 7½ 9/10½	10/6	12/ 3	11/-	11/10	13/ 7½	12/-
	21..	9/ 6½ 9/ 2	11/ 0½ 11/ 0½	9/10½ 10/ 4½	10/4½	12/ 3	11/ 3	11/ 8½	13/ 1½	12/ 3½
	28..	9/2 8/ 8½	11/ 0½ 11/9	10/ 4½ 9/ 11	10/-	12/ 7½	11/ 1½	11/ 1	13/ 7½	11/ 9

Weekly London quotations from The Public Ledger for German beet sugar, 88 per cent Java centrifugals, and First Marks German granulated for the years 1905 to 1910, inclusive—Continued.

	German beet root 88 per cent, prompt f. o. b.			Java afloat, Nos. 15 and 16.			First Marks German granulated f. o. b.		
	1910	1909	1908	1910	1909	1908	1910	1909	1908
Nov. 4..	8/ 8 1/2 9/	11/ 9 11/ 9	9/11 10/ 1	10/-	12/ 9	11/ 11	11/ 3	13/ 6	11/10 1/2
11..	9/- 8/11 1/2	11/ 9 12/ 4 1/2	10/ 1 10/ 2	10/1 1/2	13/ 3	11/ 1 1/2	11/ 3	14/ 1 1/2	12/-
18..	8/ 11 1/2 9/ 0	12/ 4 1/2 12/ 5 1/2	10/ 2 10/ 3	10/1 1/2	13/ 4 1/2	11/ 1 1/2	11/ 3	14/ 6	12/-
25..	9/ 0 9/ 0	12/ 5 12/ 6	10/ 3 10/ 2 1/2	10/1 1/2	13/ 4 1/2	11/ 1 1/2	11/ 3	14/ 6 1/2	12/-
Dec. 2..	9/ 0 9/ 0	12/ 6 12/ 7 1/2	10/ 2 10/ 1	10/3	13/ 6	11/ 1 1/2	11/ 2 1/2	14/ 6 1/2	11/10 1/2
9..	9/ 0 9/ 1	12/ 7 12/ 8	10/ 1 10/	10/3	13/ 4 1/2	11/ 1 1/2	11/ 2 1/2	14/ 3 1/2	11/ 8 1/2
16..	9/ 1 9/ 0 1/2	12/ 5 12/ 4 1/2	10/ 1 10/ 0 1/2	10/3	13/ 3	11/ 1 1/2	11/ 1 1/2	14/ 3 1/2	11/ 9 1/2
23..	9/ 0 8/10 1/2	12/ 4 12/ 2	10/ 0 10/ 1 1/2	10/3	13/ 1 1/2	10/10 1/2	10/ 9 1/2	14/ 2 1/2	12/-
30..	8/ 10 8/11 1/2	12/ 2 12/ 4	10/ 1 10/ 1	10/3	13/-	10/ 9	11/-	14/ 2 1/2	12/ 2 1/2

	German beet root, 88 per cent prompt, f. o. b.			Java afloat, Nos. 15 and 16.			First Marks German granulated, f. o. b.		
	1907	1906	1905	1907	1906	1905	1907	1906	1905
Jan. 4..	8/10 8/ 8 1/2	2 1/2	5 15/ 1 1/2	10/ 7 1/2	9/ 1 1/2	15/10 1/2	10/ 6	10/ 1 1/2	16/ 7 1/2
11..	8/ 8 1/2 8/11 1/2	3	1 15/11 1/2	10/ 1 1/2	9/ 3	16/10 1/2	10/ 7 1/2	10/ 3	17/ 6 1/2
18..	8/11 1/2 8/ 9	2 1/2	1 16/ 0 1/2	10/ 1 1/2	9/ 1 1/2	17/ 3	10/ 7 1/2	10/ 3	17/ 0 1/2
25..	8/ 9 8/ 9	2	0 16/-	10/ 1 1/2	9/ 1 1/2	17/ 1 1/2	10/ 6 1/2	10/ 2 1/2	17/ 9
Feb. 1..	8/ 9 8/ 8 1/2	1 1/2	- 15/ 6 1/2	10/ 1 1/2	9/-	16/10	10/ 4 1/2	10/-	17/ 5 1/2
8..	8/ 8 1/2 8/ 9	-	6 15/ 2	10/ 1 1/2	9/-	16/ 7 1/2	10/ 6	10/ 0 1/2	16/11 1/2
15..	8/ 9 8/10	0 1/2	2 15/ 1 1/2	10/ 1 1/2	9/-	16/-	10/ 9 1/2	10/ 0 1/2	16/10 1/2
22..	8/10 9/-	2	1 15/ 4 1/2	10/-	9/ 1 1/2	16/-	10/10 1/2	10/ 3	17/ 1 1/2
Mar. 1..	9/ 8/11 1/2	3	4 15/ 3 1/2	10/-	9/ 1 1/2	16/-	10/ 6 1/2	10/ 3 1/2	16/10 1/2
8..	8/11 1/2 9/ 1 1/2	2 1/2	3 15/-	10/ 1 1/2	9/ 1 1/2	15/10 1/2	10/ 9	10/ 3	16/ 6
15..	9/ 1 1/2 8/11 1/2	5	- 14/ 7 1/2	10/ 3	9/ 3	15/ 7 1/2	10/ 8 1/2	10/ 5 1/2	16/ 4 1/2
22..	8/11 1/2 9/ 2 1/2	4 1/2	7 14/ 5 1/2	10/ 3	9/ 6	15/ 4 1/2	10/ 9	10/ 6	16/ 1 1/2
29..	9/ 2 1/2 9/ 3 1/2	4 1/2	5 14/ 6 1/2	10/ 3	9/ 6	15/ 3	11/-	10/ 5 1/2	16/ 3
Apr. 5..	9/ 3 1/2 9/ 2	5 1/2	6 14/ 5 1/2	10/ 3	9/ 6	15/ 3	10/ 9 1/2	10/ 6	16/ 3
12..	9/ 2 9/ 3 1/2	6	5 14/ 0 1/2	10/ 4 1/2	9/ 6	15/ 4 1/2	11/-	10/ 9	15/10 1/2
19..	9/ 3 1/2 9/ 5	4 1/2	6 13/ 1 1/2	10/ 4 1/2	9/ 4 1/2	14/10 1/2	11/ 0 1/2	10/ 7 1/2	15/ 1 1/2
26..	9/ 5 9/ 5 1/2	4 1/2	1 12/ 9 1/2	10/ 4 1/2	9/ 4 1/2	14/ 6	11/ 1 1/2	10/ 6 1/2	14/ 9
May 3..	9/ 5 1/2 9/ 7 1/2	2 1/2	9 12/ 1 1/2	10/ 6	9/ 3	14/ 6	11/ 3 1/2	10/ 5 1/2	14/ 3 1/2
10..	9/ 7 1/2 10/ 1	1 1/2	1 11/10	10/ 9	9/ 2 1/2	13/ 9	11/ 5 1/2	10/ 3 1/2	13/10 1/2
17..	10/ 1 9/11 1/2	1	0 11/ 8 1/2	10/ 9	9/ 0 1/2	13/ 6	11/ 6 1/2	10/ 3	13/ 6
24..	9/11 1/2 9/11 1/2	9 1/2	8 11/ 1 1/2	10/ 9	8/11 1/2	13/ 6	11/ 6	10/ 2 1/2	14/-
31..	9/11 1/2 9/11 1/2	-	1 11/ 9 1/2	10/ 9	8/11 1/2	13/ 3	11/ 6	10/ 3 1/2	13/11 1/2
June 7..	9/11 1/2 9/11 1/2	8/ 0 1/2	9 11/11 1/2	10/10 1/2	9/-	13/ 3	11/ 5 1/2	10/ 4 1/2	14/ 2 1/2
14..	9/11 1/2 9/ 0 1/2	8/ 3	1 11/ 9 1/2	10/10 1/2	9/ 3	13/ 3	11/ 3	10/ 7 1/2	14/ 0 1/2
21..	9/ 9 1/2 9/ 8 1/2	8/ 2	9 11/ 9 1/2	10/10 1/2	9/ 4 1/2	13/ 1 1/2	11/ 3	10/ 5 1/2	14/ 0 1/2
28..	9/ 8 1/2 9/ 8 1/2	8/ 2 1/2	9 10/11 1/2	10/ 9	9/ 6	12/10 1/2	11/ 3 1/2	10/ 5 1/2	13/ 3
July 5..	9/ 8 1/2 9/ 6 1/2	8/ 5	- 10/ 6	10/ 9	9/ 6	12/ 9	11/ 2 1/2	10/ 7 1/2	12/ 9
12..	9/ 6 1/2 9/ 5 1/2	8/ 4 1/2	10 6 10/ 2 1/2	10/ 4 1/2	9/ 6	11/ 9	11/ 0 1/2	10/ 5 1/2	12/-
19..	9/ 5 1/2 9/ 9	8/ 6	10 2 10/11 1/2	10/ 6	9/ 6	11/ 9	11/ 3 1/2	10/ 7 1/2	12/10 1/2
26..	9/ 9 9/ 8 1/2	8/ 7	10 11 1/2 11/-	10/ 7 1/2	9/ 7 1/2	11/ 9	11/ 3 1/2	10/ 8 1/2	12/10 1/2
Aug. 2..	9/ 8 1/2 9/ 9 1/2	8/ 7	11/ 10/ 6	10/ 7 1/2	9/ 9	11/ 6	11/ 4 1/2	11/-	12/ 7 1/2
9..	9/ 9 1/2 9/ 9	8/ 9 1/2 8/11 1/2	10/ 6 10/ 1 1/2	10/ 7 1/2	10/-	11/ 6	11/ 4 1/2	11/ 2 1/2	12/ 6 1/2
16..	9/ 9 1/2 9/ 9	8/11 1/2 9/ 0 1/2	10/ 0 1/2 9/ 5	10/ 7 1/2	10/-	11/ 6	11/ 4 1/2	11/ 2 1/2	12/ 0 1/2
23..	9/ 9 10/ 0 1/2	9/ 0 1/2 9/ 5 1/2	9/ 5 9/ 1 1/2	10/ 9	10/ 1 1/2	11/-	11/ 9	11/ 7 1/2	11/ 8 1/2
30..	10/ 0 1/2 9/11 1/2	9/ 5 1/2 9/ 5	9/ 1 1/2 8/ 9	10/10 1/2	10/ 3	10/ 3	11/ 9	11/ 6	11/ 4 1/2
Sept. 6..	9/11 1/2 10/ 2 1/2	9/ 5 1/2 9/ 6	8/ 9 8/ 7	11/ 1 1/2	10/ 4 1/2	10/ 3	12/-	11/ 8 1/2	11/ 3
13..	10/ 2 1/2 9/11 1/2	9/ 6 1/2 10/ 2	8/ 7 8/ 5 1/2	11/ 1 1/2	10/ 9	10/-	11/ 9	12/ 2 1/2	11/ 1 1/2
20..	9/11 1/2 9/11 1/2	10/ 2 1/2 9/ 7 1/2	8/ 5 1/2 8/ 8	11/ 1 1/2	10/10 1/2	9/ 9	11/ 8 1/2	11/ 9 1/2	12/ 1 1/2
27..	9/11 1/2 9/10 1/2	9/ 7 1/2 9/ 9 1/2	8/ 8 8/ 7 1/2	11/ 1 1/2	11/-	9/ 9	11/ 8 1/2	11/11 1/2	11/ 9
Oct. 4..	9/10 1/2 9/ 8 1/2	9/ 9 9/ 3 1/2	8/ 7 8/ 9 1/2	11/ 1 1/2	10/10 1/2	9/ 9	11/ 7 1/2	11/ 6	11/ 4 1/2
11..	9/ 8 1/2 9/ 5 1/2	9/ 9 9/ 5 1/2	8/ 9 8/ 8 1/2	10/10 1/2	10/10 1/2	9/ 7 1/2	11/ 8 1/2	11/ 5 1/2	10/10 1/2
18..	9/ 5 1/2 9/ 4	9/ 5 1/2 9/ 4 1/2	8/ 8 8/ 4 1/2	10/ 7 1/2	10/10 1/2	9/ 7 1/2	11/ 6	11/ 5 1/2	10/ 3
25..	9/ 4 1/2 9/ 3 1/2	8/ 4 1/2 8/11 1/2	8/ 4 1/2 8/ 3	10/ 7 1/2	10/ 9	9/ 1 1/2	11/ 1 1/2	10/ 9 1/2	10/ 2 1/2
Nov. 1..	9/ 3 1/2 9/ 3 1/2	8/11 1/2 8/ 7	8/ 3 8/ 0 1/2	10/ 7 1/2	10/ 4 1/2	9/-	11/ 0 1/2	10/ 4 1/2	9/ 9 1/2
8..	9/ 3 1/2 9/ 3 1/2	8/ 7 8/ 9 1/2	8/ 0 1/2 8/ 0 1/2	10/ 4 1/2	10/ 7 1/2	9/-	11/ 0 1/2	10/ 6	9/ 9 1/2
15..	9/ 3 1/2 9/ 4 1/2	8/ 8 1/2 8/ 9 1/2	8/ 0 1/2 8/ 2 1/2	10/ 4 1/2	10/ 6	9/-	11/ 1 1/2	10/ 5 1/2	9/11 1/2
22..	9/ 4 1/2 9/ 3 1/2	8/ 9 1/2 8/ 9 1/2	8/ 2 1/2 8/ 5 1/2	10/ 4 1/2	10/ 4 1/2	9/ 3	10/11 1/2	10/ 6	10/ 4 1/2
29..	9/ 3 1/2 9/ 4	8/ 9 1/2 9/ 0 1/2	8/ 5 1/2 8/ 3	10/ 4 1/2	10/ 4 1/2	9/ 3	10/11 1/2	10/ 9	10/ 1 1/2
Dec. 6..	9/ 4 1/2 9/ 6 1/2	9/ 0 1/2 9/ 1	8/ 3 8/ 3 1/2	10/ 4 1/2	10/ 4 1/2	9/ 3	11/ 0 1/2	10/ 9	10/ 1 1/2
13..	9/ 6 1/2 9/ 8	9/ 1 8/ 8 1/2	8/ 3 8/ 2	10/ 6	10/ 4 1/2	9/ 3	11/ 2 1/2	10/ 5 1/2	10/ 0 1/2
20..	9/ 8 9/ 9	8/ 8 1/2 8/11 1/2	8/ 2 8/ 1 1/2	10/ 7 1/2	10/ 4 1/2	9/ 3	11/ 3 1/2	10/ 6 1/2	10/-
27..	9/ 9 9/11 1/2	8/11 1/2 8/10	8/ 1 1/2 8/ 1 1/2	10/ 7 1/2	10/ 4 1/2	9/ 1 1/2	11/ 6 1/2	10/ 8 1/2	9/11 1/2

EXHIBIT "LOWRY No. 3."

Messrs. Willett & Gray's statistics of world's sugar production for crops 1900 to 1911, inclusive.

	Crop begins—	1900-01	1901-02	1902-03	1903-04	1904-05	1905-06	1906-07	1907-08	1908-09	1909-10	1910-11
United States:												
Louisiana.....	September.....	270,338	321,676	300,000	215,000	335,000	330,000	230,000	340,000	355,000	325,000	300,000
Texas.....	September.....				19,800	16,000	12,000	13,000	12,000	15,000	10,000	11,000
Porto Rico.....	January.....	80,000	85,000	85,000	130,000	145,000	213,000	210,000	200,000	245,000	308,000	295,000
Hawaiian Islands.....	November.....	321,462	317,509	391,062	328,103	380,576	383,225	392,871	465,288	477,817	462,613	485,000
Cuba crop.....	December.....	635,856	850,181	998,878	1,040,228	1,163,258	1,178,749	1,427,673	961,958	1,513,582	1,804,349	1,550,000
British West Indies:												
Trinidad, exports.....	January.....	52,673	51,077	45,000	44,058	28,000	56,455	45,631	41,626	44,512	44,138	35,000
Barbados, exports.....	January.....	55,360	43,750	33,000	58,081	41,600	49,864	33,000	31,852	13,128	36,389	35,000
Jamaica, exports.....	January.....	17,059	15,843	18,772			12,523	15,000	10,718	11,453	12,000	12,000
Jamaica, crop.....	January.....	21,579	19,000	18,000	14,255	16,000	24,000	24,000	23,600	19,000	20,000	18,000
Antigua and St. Kitts.....	January.....				24,000	24,000						
French West Indies:												
Martinique, exports.....	January.....	39,750	34,942	29,035	23,936	29,986	42,231	36,924	35,943	37,757	39,950	35,000
Guadeloupe.....	January.....	39,000	41,000	38,000	35,976	36,000	43,213	38,960	37,500	25,211	48,000	40,000
Danish West Indies—St. Croix.....	January.....	13,000	13,000	13,000	13,000	11,000	13,000	13,000	13,000	14,000	15,000	15,000
San Domingo and Haiti.....	January.....	45,000	45,000	45,000	47,000	47,000	55,090	60,000	62,235	69,483	93,003	85,000
Lesser Antilles not named above.....	January.....	15,000	15,000	12,000	13,000	13,000	13,000	13,000	5,200	8,000	8,000	8,000
Mexico, crop.....	December.....	95,000	103,110	112,679	107,547	107,038	107,529	119,000	123,285	143,179	147,905	120,000
Central America:												
Guatemala, crop.....	January.....	9,000	10,000	10,000	7,640	7,640	6,795	7,469	7,178	7,260	7,110	7,500
San Salvador, crop.....	January.....	5,000	5,000	5,000	6,300	5,588	5,944	6,008	5,490	6,241	6,356	6,500
Nicaragua, crop.....	January.....	3,500	4,500	4,500	4,235	4,235	4,400	3,905	4,175	3,950	3,450	4,500
Costa Rica, crop.....	January.....	4,000	4,000	4,000	3,275	2,305	1,377	2,365	2,415	2,245	2,245	2,500
South America:												
Demerara, exports.....	October and May.....	84,559	123,967	121,570	113,282	101,278	121,693	120,334	99,737	117,176	101,843	100,000
Surinam, crop.....	October.....	13,000	12,750	13,046	13,000	13,000	13,000	13,000	12,000	11,000	12,055	13,000
Venezuela.....	October.....	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Peru.....	October.....	135,000	138,000	140,000	131,957	150,000	150,000	140,000	135,336	150,000	150,000	150,000
Argentina.....	June.....	114,252	135,000	130,000	142,895	128,104	137,343	116,287	109,445	162,479	123,674	147,678
Brazil, crop.....	October.....	308,011	349,068	187,500	197,000	195,000	275,000	215,000	180,000	248,000	253,000	310,000
Total in America.....		2,380,399	2,741,393	2,758,042	2,736,568	3,002,608	3,252,431	3,299,427	2,922,981	3,703,473	4,037,081	3,788,678

Asia—British India—	December.	15,000	15,000	15,000	16,000	30,000	1,725,500	2,205,300	2,046,900	1,872,900	2,127,100	2,226,400
Crop consumed locally	May	709,928	767,130	842,812	885,561	1,008,900	990,994	1,011,546	1,156,477	1,241,885	1,200,618	1,229,100
Exports	November						48,232	81,448	68,450	122,000	205,000	267,000
Java, crop (1911-12, 1,265,000)	December.	55,400	78,637	90,000	84,000	106,875	145,525	145,500	141,213	129,015	126,854	160,000
Formosa, Japan, crop												
Philippine Islands, crop												
Total in Asia		780,328	860,767	947,812	984,561	1,145,775	2,910,251	3,443,794	3,413,040	3,365,800	3,659,572	3,882,500
Australia and Fiji—												
Queensland	June	92,554	120,858	76,626	91,828	147,688	170,000	182,000	188,307	151,098	134,594	207,000
New South Wales	do	19,000	18,000	21,000	21,500	20,000	20,000	24,000	23,418	15,000	14,750	18,000
Fiji Islands, exports	do	33,000	31,000	35,500	50,000	47,000	40,000	43,000	69,000	65,000	68,900	69,000
Total in Australia and Polynesia		144,554	169,858	133,126	163,328	214,688	230,000	249,000	280,725	231,098	218,234	294,000
Africa—												
Egypt, crop	January	94,880	98,000	87,500	60,000	60,000	62,505	42,195	55,648	55,000	52,525	55,000
Mauritius (1911-12, 180,000)	August	175,267	147,828	150,349	220,589	142,101	188,364	220,000	170,000	205,758	244,597	215,000
Reunion, crop	September	42,631	33,098	39,624	41,117	30,000	38,000	37,500	37,000	39,500	39,500	39,000
Natal, crop	May						33,892	35,178	24,222	31,992	66,000	82,000
Total in Africa		312,778	278,926	277,473	321,706	232,101	322,761	334,873	286,870	332,250	402,622	391,000
Europe—Spain	December	28,000	28,000	28,000	28,000	18,000	15,722	16,400	14,047	21,669	23,033	24,000
Total cane sugar crops (W. & G.)		3,646,059	4,078,944	4,144,453	4,234,203	4,613,172	6,731,165	7,343,494	6,917,663	7,654,290	8,340,542	8,380,178
Europe—Beet sugar crops (F. O. Licht)	September	5,990,080	6,760,354	5,552,167	5,881,333	4,708,758	6,932,343	6,710,808	6,562,274	6,543,865	6,136,911	8,100,000
United States—Beet sugar crops (W. & G.)	July and October.	76,859	163,126	195,463	208,135	209,722	283,717	433,010	440,200	384,010	450,595	455,220
Grand total cane and beet sugar, tons		9,712,998	11,002,426	9,892,083	10,323,631	9,531,652	13,947,225	14,487,312	13,920,137	14,582,165	14,928,048	16,935,398

I call attention to the estimates for 1904-5 and earlier, which give *exports* only for India, while those for the later years give the *total crop production* for that country, the latter ranging from 1,725,500 tons to 2,226,400 tons. Quantities stated are in tons of 2,240 pounds each.

Where crops have not yet been harvested the production is estimated instead of actual outturn.

LOWRY EXHIBIT No. 4.
State of New York.

	All rail.		All water rate.	Selling basis.	
	Jersey City rate.	Brooklyn and New York City rate.		All rail rate.	All water rate.
Albany.....	10	10	7	10½	7½
Troy.....	10	10	7	10½	7½
Syracuse.....	13	13	7½	14	8½
Rochester.....	13	13	7½	14	8½
Utica.....	13	13	7½	14	8½
Rome.....	13	13	7½	14	8½
Buffalo.....	14	14	9½	15	10½

State of Pennsylvania.

	Jersey City rate.	Brooklyn and New York City rate.	Philadel-phia rate.	Selling basis.
Erie.....	16	16	14	15
Pittsburg.....	16	16	14	15
Allegheny City.....	16	16	14	15
Altoona.....	16	16	14	15
Harrisburg.....	13	13	11½	12½
Lancaster.....	13	13	10	10½
Oil City.....	16	16	14	15

State of Virginia.

	Jersey City rate.	Brooklyn and New York City rate.	Philadel-phia rate.	All water rate.	Selling basis.
Bedford.....	23	23	23		24½
Bristol.....	27	27	27		29
Lexington.....	22	22	20		21½
Lynchburg.....	20	20	20		21½
Roanoke.....	23	23	23		24½
Alexandria.....	8½	8½	8½		9½
Norfolk.....	30	30	30	30	30
Richmond.....	8½	8½	8½	8½	9½
	30	30	30	30	30
Petersburg.....	8½	8½	8½	8	9½
	30	30	30	30	30

	New York all rail rate.	New York water and rail rate.	Philadel-phia all rail rate.	Philadel-phia water and rail rate.	New Or-leans rate.	Selling basis.	
						Bags.	Barrels.
Kansas City, Mo.....	40	38	38	36	32	33	34½
St. Joseph, Mo.....	40	38	38	36	32	33	34½
Atchison, Kans.....	40	38	38	36	32	33	34½
Leavenworth, Kans.....	40	38	38	36	32	33	34½
Omaha, Nebr.....	40	38	38	36	32	33	34½
Council Bluffs, Iowa.....	40	38	38	36	32	33	34½
Louisville, Ky.....	23	21	21	19	17	18	

State of Kentucky.

	New York, Jersey City and Brook- lyn all rail rate.	New York and Brook- lyn water and rail rate.	Philadel- phia all rail rate.	Philadel- phia water and rail rate.	New Or- leans rate.	Selling basis.
Covington.....	22	20	20	18	18½	19½
Henderson.....	25	23	23	21	17	18½
Lexington.....	23	21	21	19	18½	19½
Owensboro.....	25	23	23	21	17	18½
Paducah.....	25	23	23	21	17	18½

State of Iowa.

	New York and Brook- lyn rail rate.	New York and Brook- lyn water and rail rate.	Philadel- phia rail rate.	Philadel- phia water and rail rate.	New Or- leans rate.	Selling basis.
Burlington.....	32	29	30	27	28	29
Cedar Rapids.....	35	31	31	29	31	31
Davenport.....	32	29	30	27	28	29
Dubuque.....	32	29	30	27	28	29
Keokuk.....	32	29	30	27	28	28
Marshalltown.....	35½	33½	33½	31½	31½	34
Muscatine.....	32	29	30	27	28	29
Oskaloosa.....	35½	33½	33½	31½	31½	34
Des Moines.....	36	34	34	32	32	34½
Sioux City.....	40	38	38	36	32	34½
Waterloo.....	35	33	33	31	31	33½

1 Barrels.

2 Bags.

State of Illinois.

	Jersey City, New York, and Brooklyn rail rate.	New York and Brooklyn and ocean rail rate.	New York and Brooklyn rail and lake rate.	Philadel- phia rail rate.	Philadel- phia ocean and rail rate.	Philadel- phia rail and lake rate.	New Or- leans rate.	Selling basis.
Anna.....	31	29	.....	29	27	.....	20	21½
Aurora.....	27	25	25	25	23	23	23	24½
Bloomington.....	29	27	27	27	25	25	23	24½
Cairo.....	25	23	.....	23	21	.....	17	18½
Carbondale.....	31	29	.....	29	27	.....	20	21½
Centralia.....	30	28	.....	28	26	.....	20	21½
Champaign.....	29	27	.....	27	25	25	23	24½
Chicago.....	26	24	23	24	22	21	23	22½
Danville.....	26	24	24	24	22	22	23	23½
Decatur.....	29	27	27	27	25	25	23	24½
Duquoin.....	31	29	.....	29	27	.....	20	21½
East St. Louis.....	25	23	23	23	21	21	17	18½
Galena.....	32	30	29	30	28	27	28	29
Hoopeston.....	26	24	24	24	22	22	23	23½
Jacksonville.....	30	28	28	28	26	26	23	24½
Macomb.....	30	28	28	28	26	26	23	24½
Mattoon.....	29	27	27	27	25	25	23	24½
Mount Vernon.....	30	28	.....	28	25	25	20	21½
Paxton.....	29	27	27	27	25	25	23	24½
Peoria.....	29	27	27	27	25	25	23	24½
Quincy.....	29	27	27	27	25	25	23	24½
Springfield.....	30	28	28	28	26	26	23	24½

State of Illinois—Continued.

	Jersey City rate.	Brooklyn and New York Cen- tral rate.	Philadel- phia rate.	Selling basis.
Bluefield, W. Va.....	27	27	27	29
Clarksburg, W. Va.....	16	16	14	15
Elkins, W. Va.....	21	21	21	22½
Fairmount, W. Va.....	16	16	14	15
Martinsburg, W. Va.....	16	16	14	15
Parkersburg, W. Va.....	18	18	16	17½
Piedmont, W. Va.....	16	16	14	15
Wheeling, W. Va.....	16	16	14	15
Washington, D. C.....	8½	8½	8½	9½
Cumberland, Md.....	16	16	.....	17½
Frederick, Md.....	16	16	14	15
Hagerstown, Md.....	16	16	14	15
Westminster Md.....	15½	15½	13	14
Baltimore, Md.....	8½	8½	6	6½

State of Michigan.

	Jersey City rail rate.	Brooklyn and New York Cen- tral rail rate.	Water and rail rate.	Philadel- phia rail rate.	New Orleans rate.	Selling basis.
Battle Creek.....	25	25	23	23	27	24½
Benton Harbor.....	25	25	23	23	27	24½
Detroit.....	20	20	18	18	23	19½
Flint.....	24	24	22	22	29	23½
Grand Rapids.....	25	25	23	23	28	24½
Jackson.....	24	24	22	22	27	23½
Lansing.....	25	25	23	23	28	24½
Petoskey.....	31	31	29	29	.....	31
Port Huron.....	20	20	18	18	29	19½
Saginaw.....	24	24	22	22	29	23½
Bay City.....	24	24	22	22	29	23½

State of Ohio.

	New York. .		Philadelphia.		New Orleans rate.	Selling basis.	
	All-rail rate.	Water and rail rate.	All-rail rate.	Water and rail rate.		All-rail rate.	Water and rail rate.
Toledo.....	20	18	18	16	23	19½	17½
Cleveland.....	18	17	16	15	23	17½	16½
Cincinnati.....	22	20	20	18	18½	23½	19½
Columbus.....	20	18	18	16	23	19½	17½
Dayton.....	22	20	20	18	23	21½	19½
Mansfield.....	20	.....	18	.....	26	19½	.....
Youngstown.....	17	.....	15	.....	28	16½	.....
Xenia.....	22	20	20	18	24	21½	19½

State of Indiana.

	New York.		Philadelphia.		New Orleans rate.	Selling basis.	
	All-rail rate.	Water and rail rate.	All-rail rate.	Water and rail rate.		All-rail rate.	Water and rail rate.
Elkhart.....	25	23	23	21	24	24½	22½
Evansville.....	24	22	22	20	17	25½	18½
Fort Wayne.....	23	21	21	19	24	22½	20½
Indianapolis.....	24	22	22	20	23	23½	21½
Lafayette.....	26	24	24	22	23	25½	23½
Logansport.....	25	23	23	21	24	24½	22½
New Albany.....	23	21	21	19	17	24½	18½
Terre Haute.....	26	24	24	22	23	25½	23½
Vincennes.....	28	26	26	24	23	30	24½

New York all-rail rates apply from Yonkers.

By "selling basis" is meant the amount which refiners add to the f. o. b. New York price when prepaying freight.

By the abbreviation "N. Y. C." is meant "New York City."

By the abbreviation "J. C." is meant "Jersey City."

By the abbreviation "S. B." is meant "selling basis."

LOWRY EXHIBIT No. 5.

The following is a list showing the rates charged by the transportation companies on sugar shipments from New York and New Orleans, giving the comparative rates and the comparative mileage:

Rates on sugar and mileages from New York and New Orleans.

To—	Short line from—		Distances from—		Rates from—			
	New York.	New Orleans.	New York.	New Orleans.	New York.		New Orleans.	
					C. L.	L. C. L.	C. L.	L. C. L.
Albany, Ga.....	Bruns. A. C. L....	L. & N.-W. of Ala.-S. A. L.	445	482	33	36	23	26
Americus, Ga.....	Sav.-S. A. L.....	L. & N.-S. A. L....	448	457	33	36	23	26
Athens, Ga.....	Sav.-Sou.....	L. & N.-W. of Ala.-S. A. L.	548	566	33	36	23	26
Atlanta, Ga.....	Sav.-Sou.....	L. & N.-W. of Ala.	544	493	33	36	23	26
Augusta, Ga.....	Sav.-Sou.....	L. & N.-W. of Ala.-Ga.	382	664	27	27	23	26
Anniston, Ala.....	Bruns.-Sou.....	L. & N.....	654	486	30	33	20	23
Birmingham, Ala.....	Sav.-Sou.....	Q. & C.....	680	355	30	33	17	20
Cordele, Ga.....	Sav.-S. A. L.....	L. & L.-S. A. L....	418	487	33	36	23	26
Cedartown, Ga.....	Sav.-C. of Ga.....	L. & N.....	603	525	33	36	23	26
Columbus, Ga.....	Sav.-Sou.....	L. & N.-S. A. L....	514	409	33	36	23	26
Chattanooga, Tenn.....	Sav.-Sou.....	Q. & C.....	682	498	30	33	20	23
Dalton, Ga.....	Sav.-Sou.....	L. & N.-Sou.....	682	568	33	36	23	26
Elberton, Ga.....	Sav.-Sou.....	L. & N.-W. of Ala.-S. A. L.	651	602	33	36	33	36
Fitzgerald, Ga.....	Burns-A. B. & A.	L. & N.-S. A. L....	401	539	33	36	26	32
Gadsden, Ala.....	Bruns.-Sou.....	L. & N.....	682	485	30	33	20	23
Huntsville, Ala.....	Sav.-Sou.....	Q. & C.-C. & St.L.	780	478	30	33	24	24
Knoxville, Tenn.....	Sav.-Sou.....	Q. & C.-Sou.....	766	609	27	30	27	30
Macon, Ga.....	Sav.-Sou.....	L. & N.-W. of Ala.-M. & B.	441	209	33	36	23	26
Milledgeville, Ga.....	Sav.-C. of Ga.....	L. & N.-C. of Ga..	441	560	33	36	29	32
Montgomery, Ala.....	Sav.-Sou.-A. & W.P.-W. of Ala.	L. & N.....	719	318	30	33	17	20
Selma, Ala.....	Sav.-Sou.....	L. & N.....	670	311	30	33	17	20
Thomasville, Ga.....	Bruns.-A. C. L....	L. & N.-A. C. L....	437	528	33	36	26	32
Talladega, Ala.....	Bruns.-A. B. & A.	L. & N.....	655	436	30	33	20	23
Rome, Ga.....	Sav.-Sou.....	L. & N.-Sou.....	682	528	33	36	23	26
Valdosta, Ga.....	Bruns.-A. C. L....	L. & N.-A. C. L....	392	573	33	36	26	32
Washington, Ga.....	Vav.-C. of Ga.-Sou.	L. & N.-W. of Ala.-Ga.	458	624	33	36	33	36
Total.....			14,785 568.6	12,830 493.1	822 31.6	897 34.5	608 23.4	692 26.6

Difference in mileage favor of New Orleans, 75.5.
Difference carload rates favor of New Orleans, 8.2 cents per 100 pounds.
Difference less carload rates favor of New Orleans, 7.9 cents per 100 pounds.

Mr. MADISON. I move that the subcommittee which has been appointed by the chairman to investigate the books and papers of the American Sugar Refining Co. be clothed with authority to take the oral testimony of Mr. Claus A. Spreckels with regard to the existence and the contents of the contract of lease of April, 1903, between the California-Hawaiian Sugar Refining Co. and the Western Sugar Refining Co.

(The question was taken, and the motion was agreed to.)

The CHAIRMAN. Mr. Jacoway will inform the subcommittee of this action.

(See the supplementary testimony of Mr. John D. Spreckels.)

Messrs. Raker and Madison, the subcommittee appointed to investigate the minutes of the stockholders, board of directors, and executive committee of the American Sugar Refining Co., presented the following report, showing extracts from the minutes and records of each of the above-mentioned bodies:

EXTRACTS FROM THE MINUTES OF THE BOARD OF DIRECTORS OF THE AMERICAN SUGAR REFINING CO. OF NEW JERSEY. FOR RECORD PURPOSES OF THE SUGAR INVESTIGATING COMMITTEE, WASHINGTON, D. C., VOLUME 1.

(P. 5.)

SUBSCRIPTION TO CAPITAL STOCK.

New York, *January 2, 1891.*

We, the undersigned, hereby subscribe and agree to pay for the number of shares in the American Sugar Refining Co. (proposed to be formed) set opposite our respective names, and to pay for such shares as we may be called upon by the said company. It is agreed that the capital stock shall be \$50,000,000 in 500,000 shares of \$100 each, and that the corporate existence shall continue for 50 years.

Names.	Address.	Shares.
Theodore A. Havemeyer.....	Mahwah, N. J.....	20
William Dick.....	Brooklyn, N. Y.....	20
J. B. Thomas.....	Boston, Mass.....	20
F. O. Matthiessen.....	New York.....	20
John E. Searles, jr.....	Brooklyn, N. Y.....	10
H. O. Havemeyer.....	Greenwich, Conn.....	10
George C. Magoun.....	New York.....	10

(P. 6.)

At a meeting of the stockholders of the American Sugar Refining Co. held on the 10th day of January, 1891, at 12 o'clock noon, at the First National Bank in the city of Jersey City, there were present in person Messrs. Henry O. Havemeyer, Theodore A. Havemeyer, William Dick, George C. Magoun, J. B. Thomas, F. O. Matthiessen, and John E. Searles, jr.

The meeting was called to order by Mr. Magoun; and Mr. Theodore A. Havemeyer and Mr. John E. Searles, jr., were unanimously elected chairman and secretary.

The certificate of organization of the company and the waiver of notice of the first meeting of the stockholders, signed by all the subscribers, were presented, and upon motion, duly seconded, ordered to be spread upon the minutes.

(For certificate see p. 1 and for waiver see p. 10.)

Mr. Searles then presented to the company a code of by-laws, which were, upon motion, duly seconded, adopted and ordered to be spread upon the minutes.

(See p. 11.)

Upon motion, duly seconded, the meeting proceeded to elect a board of seven directors by ballot, and upon the ballot being cast and counted it was found that the following gentlemen had been unanimously elected, to wit: Henry O. Havemeyer, Theodore A. Havemeyer, J. B. Thomas, John E. Searles, jr., William Dick, George C. Magoun, and F. O. Matthiessen.

Upon motion, duly seconded, it was resolved that the classification be postponed.

Upon motion, duly seconded, the following was unanimously adopted:

Whereas the company has been organized with a view to acquiring for its business the properties represented by the certificate of the so-called Sugar Refineries Co., whether consisting in the stocks of the refinery corporations, the property represented by those stocks, or the money and property in the hands of the trustees; and

Whereas, at a fair valuation the said properties are believed to be worth \$50,000,000 and upwards.

They were capitalized in the summer of 1887 at a basis of \$50,000,000. Since that time there have been additions and accumulations in improvements, materials, investments, and unexpended cash earnings to the amount of more than \$9,200,000 (i. e., \$11,700,000—there were \$2,500,000 paid in dividends). That actual tangible assets are as valuable, if not more valuable than at the time of the original capitalization. The good will represents the best professional skill and successful business judgment of the most competent persons in the business. The earning capacity is illustrated not only by the successful conduct of the business prior to the summer of 1887, but by the fact that during the period from October, 1887, to September, 1890, less than three years, the earnings of the several corporations amounted to more than \$26,000,000, equivalent to an average of more than 18 per cent per annum. Industrial stocks on a basis of earning capacity of 8 per cent per annum readily sell at par; the certificates of the Sugar Refineries Co. have sold much above par. When, since October, 1887, the price has been depressed, it has been produced by circumstances not affecting intrinsic value, like hostile litigation. The plan of reorganization is generally acceptable, it has gone into effect, all certificate holders with immaterial exceptions have become participants. It is believed that no further serious hostile litigation is to be apprehended.

So far as cash earnings and added cash assets are concerned, the foregoing statement is verified by the reports of accountants employed by Messrs. Kidder, Peabody & Co., and by the Central Trust Co.

Resolved, That this company do issue 499,890 shares of the stock of the company, being all its capital with the exception of the 110 shares heretofore subscribed for, in payment for the properties represented by the certificates of the Sugar Refineries Co. and by the stocks of the several corporations whose stock is owned by the trustees of that company, including all patents, trade-marks, and good will of the business of all the refineries, the properties of the several refining corporations, and all the property in the possession of or belonging to the trustees of the said Sugar Refineries Co. The stock is to consist one-half of common and one-half of preferred stock; that to be issued for property is hereby declared and is to be taken as fully paid and not liable to any further call; that stock is to be stamped on the face "Issued for property purchased," and is to be so described in all published statements and reports of the company. For such property, as additional consideration, there shall be paid bonds of the company to the amount of the capital stock of the several refinery corporations, those bonds, however, to come back to the company through the acquisition by it of the stock of the several refinery corporations and of the assets in the hands of the trustees of the Sugar Refineries Co.

Resolved further, That as the certificate holders of the Sugar Refineries Co. are the beneficial owners of all such properties, the stock so issued shall be exchanged with the holders of outstanding certificates of that company, share for share, half common and half preferred, and that any stock which remains over shall go to the trustees of the so-called Sugar Refineries Co.

Resolved further, That all action necessary to carry out the foregoing be taken by the board of directors of this company.

On motion, adjourned.

(Signed) JOHN E. SEARLES, JR.,
Secretary.

SECOND EXTRACT FROM THE MINUTES OF THE BOARD OF DIRECTORS OF THE AMERICAN SUGAR REFINING CO.

(P. 11.)

Entitled "By-laws of the American Sugar Refining Co."

First. The number of the directors of the company shall be seven. They shall be chosen annually by the stockholders at a meeting of the stockholders to be holden on the second Wednesday in January in each year at the principal office of the company at Jersey City, Hudson County, N. J.

At a meeting of the directors, which shall immediately follow the annual meeting of the stockholders, one of the directors shall be chosen president and another vice president, and a secretary and treasurer also be chosen, all by the directors.

Second. The company shall have such other officers, agents, and factors as the directors shall see fit to authorize for that purpose. They shall be chosen by the directors, and shall hold their offices for such terms as the directors shall appoint.

Third. The treasurer shall give a bond in the sum of \$100,000, with one surety for the faithful discharge of his duty.

When any vacancy shall occur among the directors or secretary or treasurer by death, resignation, removal, or otherwise, it shall be filled for the remainder of the year by the directors. Any director may resign by filing written notice of his resignation with the secretary.

Fourth. A special meeting of the stockholders may be called at any time by the directors, provided that notice of the time and place of such meeting shall be published by the secretary not less than 10 days previous to the day appointed in a daily paper in each of the cities of Boston, New York, and Jersey City. Notice of the time and place of the regular annual meeting of the stockholders (except the first) shall also be similarly published by the secretary not less than 10 days previous to the day appointed.

At all meetings of the stockholders the president, or, in his absence, the vice president, or in the absence of both, such director as the shareholders present may elect for that purpose, shall preside. At every meeting of the stockholders a majority of all the shares of the company must be represented to constitute a quorum.

Fifth. The directors may hold their meetings and have an office, and keep the books of the company (except the stock and transfer books) outside of the State, at such place or places as they shall from time to time appoint.

At all meetings of the directors the president or, in his absence, the vice president or, in the absence of both, such director as the directors present may elect for that purpose shall preside. A majority of all the acting directors shall be necessary to constitute a quorum.

Sixth. Regular meetings of the directors shall be held at such times as they may appoint. A special meeting may be called at any time by the president or by any two of the directors by notice to the others, which may be either personal or in writing, mailed or delivered at their several residences or usual places of business.

Seventh. The shares of the stock of the company shall be transferable on the books of the company and not otherwise by the person to whom they shall have been issued and his personal representatives, in person or by attorney, and only upon the surrender of the certificate previously issued for them.

Eighth. Dividend out of the surplus or net profit arising from the business of the corporation shall be paid semiannually on the second days of January and July in each and every year, and said days are hereby fixed for that purpose, provided, however, that the directors may from time to time in their discretion declare and pay quarterly dividends upon either the preferred or the general stock or both upon the second days of January and July and upon such intermediate days as they shall fix for that purpose.

Ninth. The directors may from time to time adopt such further by laws not inconsistent with the foregoing or forbidden by law as they may see fit, and any by law may be amended or repealed and other or additional by laws may be adopted at any regular or special meeting of the stockholders, or by the board of directors with the written consent of the holders of a majority of the capital stock.

THIRD EXTRACT FROM THE MINUTES OF THE DIRECTORS OF THE AMERICAN SUGAR REFINING CO.

(P. 15.)

Amendment passed at meeting of January 27, 1891:

The president shall preside at all meetings and shall have the general business management of the company, sign all certificates of stock, deeds, and contracts for buildings or machinery, sign and indorse checks, drafts, notes, and orders for the payment of money, indorse and receive and receipt for moneys for the company.

He shall report at the annual meeting of the stockholders and whenever required to the directors the condition of the company.

The vice president shall, in the absence of the president, perform the duties, and in the absence of both president and treasurer, shall also sign checks and notes.

The secretary shall give due notice of all meetings, record the same, and perform such other service as the office may require. The treasurer shall have charge of all books and accounts of the company, shall sign and indorse all checks, drafts, notes, and orders for the payment of money, indorse, receive, and receipt for moneys for the company, and shall have full charge of its financial management.

He shall keep the stock and transfer books, make and sign all certificates of stock, and keep and affix the seal of the company to all certificates of stock and contracts.

He shall present a written report of the business of the company at each regular meeting of the board of directors and a full report of the operations of the year and of the assets and liabilities to the annual meeting of the stockholders.

He shall see that all the property of the company is kept insured as ordered by the directors, and carefully preserve all vouchers and papers pertaining to his office (and submit the same with his books at the close of each year to an auditing committee which shall consist of two directors, who shall be appointed by the board at its last monthly meeting in each year).

Regular meetings of the board of directors shall be held on the third Tuesday in each month at such hour as the directors may appoint. Special meetings may be called by the officers or either of them at any time.

"The president and treasurer, or either of them, be, and is hereby authorized to execute on behalf of this company all contracts with the United States Government for supplies of whatever description and to affix thereto the seal of the corporation."

FOURTH EXTRACT FROM THE MINUTES OF THE BOARD OF DIRECTORS OF THE AMERICAN SUGAR REFINING CO.

(P. 23.)

The first meeting of the board of directors of the American Sugar Refining Co. was held at the First National Bank in Jersey City on the 10th day of January, 1891, at 12.30 o'clock in the afternoon, immediately following the adjournment of the stockholders' meeting. There were present in person: Henry O. Havemeyer, Theodore A. Havemeyer, J. B. Thomas, William Dick, F. O. Matthiessen, George C. Magoun, and John E. Searles, jr.

The meeting was called to order by Mr. Theodore A. Havemeyer and he and Mr. John E. Searles, jr., were duly elected temporary chairman and secretary, respectively.

Upon motion duly seconded, the board proceeded to the election by ballot of the following officers, namely, president, vice president, secretary, and treasurer.

Upon ballots being cast and counted, it was found that the following gentlemen had been unanimously elected to the offices set opposite their names: Henry O. Havemeyer, president; J. B. Thomas, vice-president; John E. Searles, jr., secretary and treasurer.

The oath of office was then duly made and subscribed by Mr. Searles, the secretary, and filed.

Mr. Searles, the treasurer, presented his bond as such in the sum of \$100,000 with William F. Havemeyer as security, conditioned as required by law.

Upon motion duly seconded, the bond was approved and ordered on file.

Upon motion duly seconded, the following resolution was unanimously adopted:

Resolved, That each of the 110 shares of the capital stock with which the company began its business be, and hereby is, assessed the par value thereof, namely, \$100 and that the same be paid in one installment to the treasurer at his office on or before the 1st day of March, 1891, and that the treasurer give due notice to that effect to be published as required by law.

Upon motion duly seconded, the treasurer was instructed to procure the necessary books appurtenant to his office and the corporate seal in the form prescribed by the by-laws.

Upon motion duly seconded, the following resolution was unanimously passed:

Resolved, That this company do issue 499,890 shares of the stock of the company, being all its capital with the exception of the 110 shares heretofore subscribed for, in payment for the properties represented by the certificates of the Sugar Refineries Co., and by the stocks of the several corporations whose stock is owned by the trustees of that company, including all patents, trade marks, and good will of the business of all the refineries, the properties of the several refinery corporations and all the property in the possession of or belonging to the trustees of the said Sugar Refineries Co. The stock is to consist one-half of common and one-half of preferred stock; that to be issued for property is hereby declared and is to be taken as fully paid and not liable to any further call; that stock is to be stamped on the face "Issued for property purchased," and is to be so described in all the published statements and reports of the company. For such property, as additional consideration, there shall be paid bonds of the company to the amount of the capital stock of the several refinery corporations, those bonds, however, to come back to the company through the acquisition by it of the stock of the several refinery corporations and of the assets in the hands of the trustees of the Sugar Refineries Co.

Resolved further, That as the certificate holders of the Sugar Refineries Co. are the beneficial owners of all such properties, the stock so issued shall be exchanged with the holders of outstanding certificates of that company, share for share, half common

and half preferred, and that any stock which remains over shall go to the trustees of the so-called Sugar Refineries Co.

Whereas this company has agreed in part payment for said properties to issue to the said companies its bonds for the sum of \$6,590,000, secured by a mortgage, as hereinafter provided, and also to issue and deposit with the Central Trust Co., of the city of New York, its similar bond to the amount of \$2,000,000, to be held by the said Central Trust Co. as security for the faithful performance by this company of its bond to be given to Theodore A. Havemeyer, H. O. Havemeyer, F. O. Matthiessen, John E. Searles, jr., J. Jurgensen, Julius A. Stursberg, William Dick, J. B. Thomas, Charles O. Foster, John E. Parsons, William F. Havemeyer, and Charles H. Senff, being the holders of the capital stock of the said companies, to indemnify and hold them harmless against all claims or liabilities whatsoever by reason of any action on the part of them or either of them as holders of the stock of the said corporations, or as directors or trustees of any of the said corporations or otherwise; and

Whereas, all the stockholders of this company have consented to the issue of such bonds and the making of such mortgage; now, therefore,

Resolved, That for the purpose aforesaid and also for the purpose of raising money for other proper and necessary uses of this corporation, this company do issue 10,000 bonds, each to secure the payment of the sum of \$1,000 numbered from 1 to 10,000 consecutively, payable on the 2d day of January, 1911, bearing interest at the rate of 6 per cent per annum, and to be secured by a mortgage or deed of trust of the properties enumerated below to be made to the Central Trust Co., of the city of New York, as trustee for the holders of the said bonds.

The following is a description of the property to be covered by the said mortgage.

All the right, title, and interest of this company in and to the real estate and plant to be purchased by this company from and conveyed to this company by the following corporations: The Havemeyers & Elder Sugar Refining Co., Brooklyn Sugar Refining Co., the F. O. Matthiessen & Wiechers Sugar Refining Co., DeCastro & Donner Sugar Refining Co., Standard Sugar Refinery of Boston, Boston Sugar Refining Co., Louisiana Sugar Refining Co. of New Orleans.

Resolved further, That the president and treasurer of this company be and they hereby are authorized to make and execute such bonds and such deed of trust or mortgage to the Central Trust Co. as aforesaid, under the seal of this Company and signed by themselves as its president and treasurer respectively, which bonds and mortgage or deed of trust shall be in such form and contain such provisions as they shall deem proper to effectuate the purposes thereof, and as may be approved by the counsel of this company.

Resolved further, That the said bonds when so executed be used and delivered for the purposes aforesaid, and also that the president and treasurer of this company be and they are hereby authorized to make, execute, and deliver to the above-mentioned holders of the capital stock of the said companies the bond of this company under its corporate seal indemnifying them against any claims or liabilities whatsoever by reason of action on the part of them or either of them as holders of the stock of the said corporations, or as directors or trustees of any of the said corporations, or otherwise, in consenting to or making any of the said sales, such bonds to be in such form as may be approved by the counsel of this company.

Resolved, That the consent of the stockholders to the mortgage before referred to be spread upon the record, as follows:

"Whereas this company has agreed as a further consideration for the sale and transfer of the said property to it and for the consent of the stockholders of the said corporations to such sale, among other things, to issue its certificates to the holders of certificates issued by such stockholders, the whole of the capital stock of this company not already issued, being \$50,000,000, divided into 500,000 shares of the par value of \$100 each, of which 250,000 shares are preferred stock, and 250,000 shares are common stock, less 110 shares of the common stock already issued: Now, therefore,

"*Resolved*, That the president and treasurer of this company be, and they hereby are, authorized to make and issue on behalf of this company, in its name and under its corporate seal, 250,000 shares of the preferred stock of this company and 250,000 shares of the common stock of this company less 110 shares already issued, and to deliver to and distribute same among the said certificate holders of the stockholders of the said corporations, share for share, half common and half preferred, and any remainder to the trustees of the so-called Sugar Refineries Co. upon receiving the consent in due form of the said stockholders to the transfer to this company of the properties of the said corporations, respectively.

"And whereas this company has further agreed, among other things and as part of the consideration of the transfer to it of the said properties, to assume and pay all the debts and liabilities of the said companies as they become payable, and the expenses

attending such transfer, including the expenses of the reorganization of the Sugar Refineries Co., and also all the debts and liabilities of the trustees of the Sugar Refineries Co.: Now, therefore,

Resolved, That the president and treasurer of this company be, and they hereby are, authorized in the name of this company and under its corporate seal to make, execute, and deliver to the said companies, respectively, in a form to be approved by the counsel of this company, a contract or contracts whereby this company shall agree and assume to pay the debts of the said companies, respectively, as they become due and payable, and also all the debts and liabilities of the trustees of the Sugar Refineries Co., and also all the expenses attending the transfer of the said properties to this company, and the expenses of the reorganization of the Sugar Refineries Co.

"And whereas it has been further agreed that as part of the consideration for the transfer of the said properties, this company shall assume the obligation of making provision for such holders of the certificates of the Sugar Refineries Co. as shall not accept stock of this company in exchange for their certificates: Now, therefore,

Resolved, That the president and treasurer of this company be, and they hereby are, authorized, in the name and under the corporate seal of this company, to make, execute, and deliver to the said Central Trust Co., of the city of New York, a contract, in a form to be approved by the counsel of this company, whereby this company shall assume the obligation of making provision for such holders of certificates of the Sugar Refineries Co. as shall not accept the stock of this company in exchange for their certificates, and shall assume all the obligations aforementioned: and further,

Resolved, That upon delivery to this company of good and sufficient deed or deeds of conveyance, bills of sale, or other instruments, to be approved by the counsel of this company, for the vesting in this company of the title to all of the property above mentioned, and the consent of the stockholders of the said companies, respectively, to such transfer the president and treasurer of this company, be and they hereby are, authorized to deliver any and all such instruments, bonds, obligations, or shares of stock as are above provided for."

Upon motion, duly seconded, it was unanimously—

Resolved, That for the present the principal office of this company within the State of New Jersey shall be at the corner of Essex and Washington Streets, in Jersey City, and its office out of this State at the office No. 117 Wall Street, in the city of New York.

On motion, duly seconded, it was unanimously

Resolved, That Mr. John E. Parsons be appointed counsel of this company.

Minutes of the meeting of the board of directors held on Tuesday, January 27, 1891:

The officers of the company were, on motion, authorized to execute new contracts with Messrs. Donner, Niese, Doscher, and other persons holding contracts with the former corporations included in the Sugar Refineries Co.

The mercantile committee asked for instructions respecting purchase of raw sugars, and, on motion, it was ordered that the purchases of raw sugars be limited to 100,000 tons unless otherwise instructed by the board.

Minutes of a special meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Wednesday, April 15, 1891, at 1 o'clock p. m.:

On motion, the mercantile committee were authorized to increase the limit previously fixed for stock of raw sugars to 200,000 tons, not including futures in beets.

The chairman of the mercantile committee reported that purchases had been made of 20,000 tons of beet sugars for October and November delivery, which were, on motion, approved.

A communication was received from the Louisiana refinery respecting contracts for sugars, which was, on motion, laid over until the next meeting.

Resolved, That the treasurer of this company be, and he hereby is, authorized and directed to purchase from the copartnership of Havemeyers & Elder, the sugar refinery property in San Francisco, known as the American Sugar Refinery, and formerly owned by and conveyed to the said copartnership by the American Sugar Refinery Co., of California, by deed bearing date the 21st day of March, 1889, together with all the property, real and personal, since acquired and now owned by the said Havemeyers & Elder, which is now used by them as a part of, or in connection with the American Sugar Refinery, including all the assets pertaining to the said refinery and

now employed in its business, including the cash, sugar, accounts receivable, contracts for the purchase of sugar in the Hawaiian Islands, and all other contracts and all other assets of every description so pertaining to the said refinery or employed in its business, the said property being, however, subject to a lease bearing date the 28th day of March, 1891, made by Havemeyers & Elder to the Western Sugar Refining Co., of California; and that the treasurer be, and he hereby is, also authorized and directed to purchase from the said Havemeyers & Elder, 10,000 shares of stock in the Western Sugar Refining Co. of the par value of \$1,000,000, and that as consideration for such property and such stock the treasurer be, and he hereby is, authorized to pay the said Havemeyers & Elder the sum of \$1,939,145.59, and to execute in behalf of this company and under its seal, a proper instrument, assuming all liabilities, actual or contingent, on the part of the American Sugar Refinery, or of Messrs. Havemeyer & Elder, whether upon accounts or notes, or in any way arising out of any contracts made by Messrs. Havemeyers & Elder for the purchase of sugar from the Hawaiian Islands, or in any other way arising out of the business of the American Sugar Refinery and to guarantee the Messrs. Havemeyers & Elder against all claim or loss by reason of the American Sugar Refinery, or such contracts or otherwise in the business of the said refinery.

Minutes of the regular meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, April 21, 1891, at 12 o'clock m.:

The matter of contracts with planters for raw sugars in Louisiana and Kansas was taken from the table, and on motion referred to the executive committee with power.

The treasurer was authorized on behalf of this company to vote the stock held by the company at the annual meeting of the Brooklyn Cooperage Co.

Resolved, That an additional compensation of \$25,000 be paid the treasurer.

Minutes of a special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Monday, May 11, 1891, at 12 m.:

On motion of Mr. Dick the treasurer was authorized to purchase \$2,150,000 in United States Government bonds, to be substituted at their market value for the bonds of this company now held by the Havemeyers and Elder Sugar Refining Co., the Brooklyn Sugar Refining Co., the Dick & Meyer Co., the Havemeyer Sugar Refining Co., the Oxnard Bros. Co., the Moller & Sierck Co., and the De Castro & Donner Sugar Refining Co.

Minutes of the regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, May 19, 1891, at 11.30 a. m.:

On motion the treasurer was authorized to settle the account of the Central Trust Co. for their services and disbursements in connection with the reorganization of the company, for the sum of \$53,010.18.

Minutes of a special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Thursday, May 28, 1891, at 2 o'clock p. m.:

Present, Messrs. H. O. Havemeyer, T. A. Havemeyer, F. O. Matthiessen, John E. Searles, jr., and William Dick.

On motion the following resolutions were unanimously adopted:

Resolved, That this company does hereby consent to the appointment of Messrs. Harry O. Havemeyer and John E. Searles, jr., as joint receivers of the property, effects and assets of the Havemeyer Sugar Refining Co., and that the security to be given by the said receivers shall be a bond in the sum of \$100,000, with two sufficient sureties to be approved by the court.

Resolved, further, That John M. Perry, Esq., the attorney for the American Sugar Refining Co., in the proceedings for the dissolution of the said Havemeyer Sugar Refining Co., be and he hereby is authorized on behalf of this company to sign such consents or other papers as may be necessary to carry into effect the foregoing resolution.

Similar resolutions were passed consenting to the appointment of Messrs. H. O. Havemeyer and John E. Searles, jr., as joint receivers for the Moller and Sierck Co. bond, \$21,000; the Oxnard Bros. Co. bond, \$10,000; the De Castro & Donner S. R. Co. bond, \$25,000; the Dick & Meyer Co. bond, \$20,000; Havemeyers & Elder Sugar Refining Co. bond, \$50,000; and the Brooklyn Sugar Refining Co. bond, \$30,000.

Minutes of the adjourned meeting of the board of directors of the American Sugar Refining Co., held Tuesday, June 9, 1891, at 11.30 a. m.

Present: Messrs. H. O. Havemeyer, T. A. Havemeyer, Jno. E. Searles, jr., F. O. Matthiessen, Geo. C. Magoun, and Wm. Dick.

The minutes of the meetings of May 19th and 28th and June 5th were read and approved.

The treasurer presented letters from Messrs. John E. Parsons and Elihu Root, counsel, in re dividend, both to the effect that when the dividend of $3\frac{1}{2}$ per cent on the preferred stock, payable July 2, had been provided for, the remainder of the earnings of the company would be available for dividends on the common stock.

He also presented a statement showing the estimated earnings of the company to May 2, and on motion of Mr. Matthiessen, seconded by Mr. Magoun, it was voted that a dividend of $3\frac{1}{2}$ per cent on the preferred stock and 4 per cent on the common stock be declared, both payable on July 2, transfer books to close on June 15 at 3 p. m.

On motion of Mr. Dick, seconded by Mr. T. A. Havemeyer, it was voted that the salary of Mr. J. A. Stursberg be increased to \$15,000 per annum, to take effect from March 1.

On motion, adjourned.

Minutes of the regular meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, July 21, 1891, at 12 m.:

The president reported that since the last meeting at the request of 95 per cent of the grocery trade in New York City, New England, and several other points, a new system of selling sugars had been inaugurated, providing for rebate of one-eighth cent per pound to such parties as do not undersell the company's prices.

The report was accepted and action approved.

Minutes of an adjourned meeting of the board of directors of the American Sugar Refining Co., held on Wednesday, August 26, at 1 p. m.:

The president reported respecting refined sugars that in order to maintain remunerative prices in the face of a decreased consumption it might be necessary to reduce the output of the refineries.

On motion this policy was approved by the board.

Minutes of a special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Friday, October 16, 1891, at 1 p. m.:

The treasurer reported that it was probably feasible to purchase 4,000 shares of the capital stock of the Baltimore Sugar Refining Co., which, together with 1,570 shares owned by the Messrs. Havemeyer, would give a majority of the stock of that corporation.

Mr. H. O. Havemeyer stated that he and Mr. T. A. Havemeyer had purchased in March last and subsequently small lots of the stock of the Baltimore corporation at prices varying from 108 to 110, and that they were willing to turn over such stock to this company at cost, including interest and commissions paid, if the company desired to acquire it, in order to make a majority.

On motion of Mr. Magoun, seconded by Mr. Dick, the treasurer was authorized to purchase not to exceed 5,600 shares of the stock of the Baltimore Sugar Refining Co. at a cost of \$110 per share and commissions, the purchase to include 1,570 shares now owned by Messrs. H. O. and T. A. Havemeyer, at a cost of \$181,818.68 as of October 12, 1891. The resolution was adopted, Mr. H. O. Havemeyer not voting.

The treasurer reported that all efforts to obtain for this company from Mr. Claus Spreckels a half interest or any interest in his Philadelphia refinery had proved unsuccessful. He stated that Mr. Spreckels had in April last disposed of 45 per cent of the capital stock of his company to the Messrs. Havemeyer.

On motion of Mr. Magoun, seconded by Mr. Dick, a committee of three was appointed, consisting of Messrs. Magoun, Matthiessen, and Thomas, to confer with the owners of the 45 per cent and ascertain on what terms, if any, that interest can be purchased.

Minutes of the regular meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, October 20, 1891, at 10.30 a. m.:

The treasurer reported that the purchase of a majority interest in the capital stock of the Baltimore Sugar Refining Co., authorized at the last meeting, could probably be consummated on condition that the stock of said company shall be increased to \$1,300,000, the increase to be used for the purpose of improving and increasing the capacity of the refinery.

On motion, the purchase was authorized on this basis, the American Sugar Refining Co. agreeing to subscribe for its pro rata of the new stock.

On motion, adjourned.

Minutes of a meeting of the board of directors of the American Sugar Refining Co.: held at 117 Wall Street, New York, on Tuesday, November 17, 1891, at 10.30 a. m.,

The treasurer reported a statement showing expenditures to date for stock of the Baltimore Sugar Refining Co., 5,850 shares, costing net \$658,020.84, and stated that he had authorized further purchases of the stock at par.

On motion the report was accepted and action approved.

The secretary submitted appraisals of the Moller & Sierck Refinery property, as also that of the Oxnard Refinery, and on motion the treasurer was authorized to dispose of these properties at not less than \$200,000 for the Moller & Sierck property, and \$75,000 for the Oxnard property.

On motion of Mr. Dick it was

Resolved, That the treasurer may, in his discretion, expend not to exceed \$5,000 for special expenses which may be incurred by him.

Minutes of the special meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall St., New York, on Tuesday, December 8, 1891, at 11 a. m.:

The treasurer reported further purchases of the stock of the Baltimore Refinery of 547 shares at par, making a total of 6,397 shares.

On motion the report was accepted and the purchase approved, and the treasurer was authorized to increase the purchases to a total of 6,600 shares.

On motion the treasurer was authorized to vote the stock held by this company in the F. O. Matthiessen & Wiechers S. R. Co. and the Jersey City Storage Co. at any meetings of the stockholders of those companies.

On motion it was unanimously voted to recommend to the stockholders at the ensuing annual meeting the following classification of the directors elected in January, 1891, viz:

For one year: Theodore A. Havemeyer and Joseph B. Thomas.

For two years: John E. Searles, jr., and George C. Magoun.

For three years: H. O. Havemeyer, F. O. Matthiessen, and William Dick.

On motion the secretary was directed to send out to all stockholders of record December 16, notice of the annual meeting to be held January 13, 1892, together with a proxy empowering H. O. Havemeyer, John E. Searles, jr., and George C. Magoun, or either two of them, to vote as proxies at said meeting, and also stating in a circular to be sent therewith the recommendation of this board that Messrs. T. A. Havemeyer and Joseph B. Thomas be reelected for three years.

The following resolution was offered by Mr. T. A. Havemeyer:

Resolved, That a dividend of $3\frac{1}{2}$ per cent on the preferred and 4 per cent on the common stock be declared payable January 2, 1892, the transfer books to be closed on December 16 and reopened January 4.

Mr. Magoun moved as an amendment that the dividend on the common stock be 3 per cent instead of 4.

This motion was lost and the original motion was carried, Messrs. Magoun, Thomas, and the president voting in the negative.

Minutes of the regular meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 15, 1891, at 11 o'clock a. m.:

On motion it was unanimously voted that the following resolution be submitted to the stockholders for their adoption at the annual meeting to be held on January 13, 1892.

Resolved, That with the assent in writing of stockholders representing two-thirds in value of the existing capital stock the capital of the company be increased by the amount of \$25,000,000—one-half common and one-half preferred—the additional stock to be paid for in cash at par or to be issued in payment for land and other property to be acquired by the company for the purposes of its incorporation and for improvements upon or to its property to the amount of the value thereof, the stock to be issued from time to time in such sums and in such manner as the board of directors may determine, the board of directors being authorized—and they hereby are authorized—to take all the necessary proceedings for the issue of the stock and the filing of the necessary certificates.

On motion adjourned to January 12.

Minutes of an adjourned meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, N. Y., Tuesday, January 12, at 3 o'clock p. m.:

On motion the treasurer was instructed to purchase for this company the entire capital stock and assets of the Commonwealth Refining Co., of Connecticut, at the net cost to the company of not to exceed \$10,000.

The question of the salary of the president for 1891 was raised by the treasurer. The president retired from the room, and on motion a salary of \$50,000 was unanimously voted.

The treasurer reported that, in accordance with the resolution of the board at its meeting on April 15, 1891, he had purchased from Messrs. Havemeyers and Elder the entire property, real and personal, of the American Sugar Refinery, San Francisco, with its assets, contracts, and liabilities, subject to a lease to the Western Sugar Refining Co., together with 10,000 shares of the capital stock of said Western Sugar Refining Co., for the sum of \$1,939,145.59. On the final liquidation of the said American Sugar Refinery, its net liabilities amounted to \$873,171, consisting mainly of losses on sugars received under contracts prior to the purchase by this company; making the total cost of the American Refinery plant, including supplies on hand \$1,812,316.59, and 10,000 shares of stock Western Sugar Refining Co. at par, \$1,000,000; total, \$2,812,316.59.

From the earnings since April 1, 8 dividends have been declared on the stock of the Western Sugar Refining Co., amounting to 57½ per cent, equaling \$575,000 on the 10,000 shares held by this company.

On motion the treasurer was instructed to charge off the sum of \$312,316.59 to profit and loss, leaving the cost of the refinery plant at \$1,500,000.

On motion adjourned to January 13 at 10.30 a. m.

Annual meeting of the stockholders of the American Sugar Refining Co., held at the office of the company, Washington Street, Jersey City, Wednesday, January 13, 1892.

The meeting was called to order at 12.20 p. m. by the President, Mr. H. O. Havemeyer, who occupied the chair.

On motion Mr. Jno. E. Searles, jr., was appointed secretary.

There were present in person and by proxy 318,207 shares.

The president submitted his annual report, as provided by the by-laws of the company, as follows:

"The last year has witnessed what those most competent to judge expected from the beginning as the result of the large scale upon which the business of sugar refining has been done since the formation of the Sugar Refineries Co.; refined sugar has been sold at a price lower than was ever heretofore known.

To bring about this result and at the same time to obtain a fair return for the large investment and the risk of the business has required the utmost vigilance, the closest attention to every detail, and the maintenance of the refineries in a condition best adapted to save all possible expense.

I have the satisfaction to report that the refineries are in splendid shape, under capable management and well equipped for their work. Details showing the results of the business of the year will be found in the treasurer's report."

On motion the report was accepted and ordered spread upon the minutes.

The treasurer submitted his report, which, after full discussion, was on motion accepted and approved.

The report is as follows:

"To the Stockholders of the American Sugar Refining Co. in annual meeting, Jersey City, January 13, 1892.

"Gentlemen: In accordance with the requirements of the by-laws, the undersigned respectfully submits herewith his annual report as treasurer for the year ending December 31, 1891:

"The American Sugar Refining Co. was organized to take over the entire assets and business of the companies represented by the certificates of the Sugar Refineries Co.

"The circular submitted to the certificate holders at the time of organization provided for the issue of capital stock to the amount of \$50,000,000, of which \$25,000,000 were to be common stock and \$25,000,000 preferred stock. Of the common stock \$11,000 was subscribed in cash at the organization of the company. The remaining \$24,989,000 of common stock and the entire amount, i. e., \$25,000,000 of preferred stock, were issued to pay for the assets of the Sugar Refineries Co."

"The circular above referred to contained the following statement:

"Upon completion of the plan of reorganization and after the distribution of 5 per cent in cash (to the holders of certificates of the Sugar Refineries Co.) it is estimated that the American Sugar Refining Co. will commence operations with cash assets and investments exceeding \$9,000,000 with the power to raise upon mortgage \$10,000,000 additional if required."

"The value of cash assets and investments actually taken over by the American Sugar Refining Co., and after deducting the expenses of reorganization was \$8,739,000, which, together with the \$11,000, cash capital paid in, made the amount of cash assets and investments represented by the capital stock \$8,750,000. The remainder of the stock, \$41,250,000, representing the real estate and plant transferred to the company.

"The liquidation of the cash assets and investments above referred to has thus far realized a surplus of \$55,908.36 and of the amount issued for plant after providing for all the outstanding certificates of the Sugar Refineries Co. there came back to the treasurer available for the purchase of additional property 3,583 shares of common stock and 3,695 shares of preferred stock, with the accumulated dividends \$54,515.

"There have been issued in accordance with the authority conferred by the stockholders \$10,000,000 6 per cent bonds, none of which, however, have been disposed of up to this time.

"Twenty-five hundred and sixty of these bonds have been lodged, in accordance with the terms of the reorganization agreement, with the receivers pending the completion of the dissolution proceedings of the old corporations in Kings County.

"The decree of the court dissolving these corporations has been granted and the bonds will soon be returned to the treasury of the company.

"By reason of the magnitude of the business and the remoteness of some of the refineries belonging to the company, it has been found impossible to secure absolutely accurate reports up to December 31. The books of the company, however, show net earnings for the year not less than \$5,073,002.17 from which amount two semiannual dividends have been paid to the stockholders each of 4 per cent on the common and 3½ per cent on the preferred stock, amounting in all to \$3,750,000, leaving a surplus of net earnings \$1,323,002.17 reserved for contingencies.

"Annexed hereto is a statement of assets and liabilities of the company on December 31, 1891, all of which is respectfully submitted.

"JNO. E. SEARLES, Jr., *Treasurer.*"

The secretary presented a record of the action of the board of directors at their meeting on the 8th of December recommending the following classification of the directors elected in January, 1891, viz:

For one year, Theo. A. Havemeyer and Joseph B. Thomas.

For two years, Jno. E. Searles, jr., and Geo. C. Magoun.

For three years: H. O. Havemeyer, F. O. Matthiessen, and William Dick.

On motion the recommendation was unanimously adopted.

The secretary also presented on behalf of the board of directors the following preamble and resolution:

Whereas according to the charter of the company its annual meeting is to be held on the second Wednesday of each year; and

Whereas it is not practicable to present at so early a date a complete report of the business of the company to December 31: Therefore

Resolved, That the fiscal year of the company hereafter close on the 30th day of November, and that the annual reports of the treasurer be made as of that date.

Adopted unanimously.

A further resolution presented on behalf of the board of directors was as follows:

Resolved, That with the assent in writing of stockholders representing two-thirds in full of the existing capital stock the capital of the company be increased by the

amount of \$25,000,000, one-half in common and one-half in preferred, the additional stock to be paid for in cash at par, or to be used in payment for land and other property to be acquired by the company for the purpose of its incorporation and for improvements upon or to its property to the amount of the value therefor. The stock to be issued from time to time in such sums and in such manner and for such purpose as the board of directors may determine, the board of directors being authorized, and they hereby are authorized, to take all the necessary proceedings for the issue of the stock and the filing of the necessary certificates.

After a full discussion the resolution was unanimously adopted.

It was then moved that the meeting proceed to the election of two directors to fill the places of Theo. A. Havemeyer and Jos. B. Thomas, whose terms of office had expired.

The motion was carried and the chairman appointed Messrs C. W. Sierck and Geo. S. Hunt inspectors of election.

The president being obliged to leave the meeting, Mr. Wm. Dick was chosen chairman in his stead.

The polls remained open for one hour, at the end of which time the inspectors reported as follows:

"The undersigned inspectors of election at the annual meeting of stockholders of the American Sugar Refining Co. respectfully report: There were voted in person and by proxy 318,207 shares, all of which were voted for Theodore A. Havemeyer and Joseph B. Thomas.

"C. W. SIERCK.

"GEO. S. HUNT."

The report of the auditing committee appointed by the board of directors was received and ordered spread upon the records of the meeting.

REPORT.

NEW YORK, *January 13, 1892.*

The undersigned, appointed by the board of directors a committee to audit the books and accounts of the treasurer, herewith report that the statement contained in the annexed report is correct.

GEO. C. MAGOUN.

WM. DICK.

On motion the meeting adjourned.

Assets and liabilities of the American Sugar Refining Co., December 31, 1891.

ASSETS.

Refineries plant account.....		\$41, 250, 000. 00
Cash.....	\$1, 918, 145. 52	
Cash drafts in mail.....	639, 894. 52	
		<hr/>
		2, 558, 040. 04
Call loans.....		1, 196, 955. 92
Additional property purchased and improvements.....		2, 610, 747. 19
Sugar, boneblack, and sundry supplies.....		7, 110, 549. 43
Sales and consignment accounts.....		2, 971, 642. 64
Taxes, rents, interest, and fire insurance.....		96, 014. 15
Stocks and investments.....		3, 558, 288. 07
Brooklyn Transportation Co. (Ltd.) loan.....	100, 165. 22	
Brooklyn Cooperage Co., loan.....	1, 256, 905. 29	
		<hr/>
		1, 357, 070. 51
United States Trust Co., deposit.....	74, 375. 00	
Accounts receivable:		
Commonwealth Refining Co	5, 000. 00	
Atlantic Insurance Co. scrip.....	6, 773. 40	
Brooklyn City water deposits.....	16, 760. 00	
Jersey City Storage Co.....	60. 00	
Brooklyn Refinery leaseholds.....	6, 400. 00	
Hidalgo & Co.....	24, 935. 86	
Claims account.....	1, 779. 66	
		<hr/>
		136, 083. 92
		<hr/>
		62, 845, 391. 87

LIABILITIES.

Mortgages.....	\$180,000.00	
Bills payable.....	51,419.77	
Loans.....	5,517,414.30	
Balances due foreign bankers.....	2,688,128.24	
Unpaid bills.....	349,464.62	
Special deposit.....	8,169.46	
Old refining companies.....	55,908.36	
Sugar Refineries Co.....	791,972.45	
Unpaid dividends.....	1,879,912.50	
Capital.....	50,000,000.00	
Surplus:		
Net profits of 1891.....	\$5,073,002.17	
Less dividends paid.....	3,750,000.00	
	<hr/>	1,323,002.17
		<hr/>
		\$62,845,391.87

Meeting of the board of directors held on Thursday, January 14, 11 a. m., at 117 Wall Street, N. Y.:

Present: H. O. Havemeyer, William Dick, John E. Searles, jr., F. O. Matthiessen, Joseph B. Thomas, and George C. Magoun.

On motion Mr. Magoun was called to the chair and the meeting proceeded to ballot for officers for the ensuing year.

On the first ballot Mr. H. O. Havemeyer was unanimously elected president.

Mr. Havemeyer took the chair and the following were unanimously elected: T. A. Havemeyer, vice president; William Dick, second vice president; and John E. Searles, jr., secretary and treasurer.

The following were also elected as an executive committee: H. O. Havemeyer, T. A. Havemeyer, F. O. Matthiessen, John E. Searles, jr., and William Dick.

A finance committee of three was also appointed consisting of George C. Magoun, H. O. Havemeyer, and John E. Searles, jr.

On motion the salaries of the officers were voted as follows: President, \$50,000; treasurer, \$25,000; second vice president, \$5,000; chairman finance committee, \$5,000.

On motion adjourned.

Minutes of the regular monthly meeting of the board of directors held on Tuesday, January 19, at 2 p. m.:

Present, H. O. Havemeyer, T. A. Havemeyer, Jno. E. Searles, jr., Wm. Dick, F. O. Matthiessen, and Geo. C. Magoun.

The president in the chair.

The minutes of the meetings of January 13 and 14 were read and approved.

The executive committee reported their minutes of January 12 and 18.

On motion report was accepted and action approved.

On motion the salary of Mr. Matthiessen as chairman of the manufacturing committee was fixed at the rate of \$25,000 per annum during the term of his actual service in such capacity.

The secretary presented a draft of the proposed letter to the stockholders in reference to the increase of the capital stock.

On motion the letter was approved.

The treasurer asked for instructions on the subject of fire insurance on the properties of the company.

On motion the matter was referred to the finance committee for report, and pending their report no change to be made in existing insurance.

On motion of Mr. Dick the salary of Jno. E. Parsons, counsel, was fixed at \$25,000 per annum.

On motion adjourned.

Minutes of the regular monthly meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, Tuesday, February 16, 1892, at 3 p. m.

Present: H. O. Havemeyer, T. A. Havemeyer, Jno. E. Searles, jr., Wm. Dick, F. O. Matthiessen, J. B. Thomas and Geo. C. Magoun.

The minutes of the previous meeting were read and approved.

The executive committee submitted the record of their meetings during the past month as a report.

The report was accepted and on motion the recommendation concerning the Baltimore refinery involving improvements amounting to \$100,000 was adopted and referred to the executive committee with power.

On motion the treasurer was authorized to vote the stock of this company in the Brooklyn Cooperage Co. at the annual meeting to be held this day for the following directors, viz: H. O. Havemeyer, T. A. Havemeyer, Jno. E. Searles, jr., F. O. Matthiessen, and L. M. Palmer.

The treasurer submitted a proposition from California for the decrease of the capital stock of the Western Sugar Refining Co. from \$2,000,000 to \$1,000,000 and on motion the treasurer was authorized to consent on behalf of this company to such decrease and to transfer the stock of this company and receive in lieu of same one-half the amount of the new capital.

The secretary reported that the sale of the North River Sugar Refinery property was advertised for Thursday the 18th inst., and recommended that this company purchase said property at the cost of not to exceed \$200,000.

On motion the matter was referred to the treasurer with power.

Special meeting of the board of directors of the American Sugar Refining Co., held at the office of the company at Jersey City on March 10, 1892, at 12.15 o'clock p. m., all the members of the board being present:

The secretary stated that the object of the meeting was to act upon the informal negotiations which had been going on with reference to the acquisition of outside refineries.

To bring the subject in a practical way before the meeting he offered the following resolutions, no amounts being filled in:

Resolved, That if the twenty-five millions increase of capital is assented to as required by law, the company will purchase the real estate and plant, either by conveyance of the property or transfer of the stock, of the following refineries, either, any or all, or any part of either any or all, at prices payable in stock, half common and half preferred, not to exceed at the following rate: Franklin Sugar Refining Co., 10,000,000; E. C. Knight Co., 2,050,000; Delaware Sugar Refinery, 472,500; Spreckels Sugar Refining Co., 10,000,000; Revere Sugar Refinery, ———.

Resolved, That in the case of either of the foregoing refineries of which the whole shall be purchased the company will assume all future contracts, obligations, and expenses, and will purchase the property on hand at cost or value as the case may be.

Resolved, That the secretary and counsel of the company be, and they are hereby, authorized and directed to agree to and to arrange all details and to consummate the transaction, and that the secretary be authorized to execute all the necessary papers and to affix the seal of the company.

In the course of a general discussion of the subject it was stated that the result of interviews and conferences was that the following refineries might be acquired for the amounts named in certificates: The Franklin Sugar Refining Co., 10,000,000; E. C. Knight Co., ———; The Delaware Sugar Refinery, ———.

It was explained that the negotiations for the Franklin Refinery had grown out of an informal conference between Mr. Parsons, the general counsel, and Mr. Charles C. Harrison; that Mr. Harrison, on behalf of himself and his associates, had declined to entertain the matter unless they were furnished previously with the assurance that a proportion of the stock to go to them, they to have some option about the amount, would be purchased by responsible individuals; that Mr. H. O. Havemeyer had consented to give this assurance, and that thereupon the negotiation had proceeded with the result that Mr. Harrison and his associates had said that they would entertain an offer on the basis of \$10,000,000 in stock, the offer to be put in such shape that, if satisfactory, they would merely have to accept it; that they had declined to make an offer or to do anything more than to entertain any offer which might be made. It was further explained that in arranging the details of the proposed offer there had been many conferences and that the offer had been finally formulated that day.

The form of offer was produced and submitted.

At the beginning of the discussion Mr. H. O. Havemeyer, who was in the chair, said that if it were proposed to take action upon the acquisition of the refineries he declined to take part; that he wished to retire, and that before doing so he would and he did make the following statements:

"Gentlemen, though I have taken no part in the negotiation of this arrangement with Harrison, it was stated to me that Harrison declined to consider any proposition

for a purchase of his refinery, the price to be paid in stock, ~~unless there should be~~ furnished to him the obligation of a purchaser or purchasers to take at cash a large amount of the stock, he to have an option about the amount. The company was not in funds to pay cash. I understand that it can not legally buy its stock. I agreed that if Harrison would make the sale I would buy for cash the shares required at a price somewhat below the market price of to-day, to compensate me for my outlay and for the risk consequent upon the large amount of the transaction. As the transaction could not be accomplished unless this was done, I have taken for granted that it would benefit the company; at all events, that its interest could not in any way be injured by the arrangement. It may, however, preclude me from acting as a director on the question of authorizing the offer. I shall, therefore, retire from the meeting. Your action must be without my vote, and with the knowledge that if the transaction is consummated I am required to take a considerable portion of Harrison's stock.

"To the board of directors of the American Sugar Refining Co.:"

"Gentlemen, on the 12th day of November last I received the following letter:

"H. O. HAVEMEYER, Esq., New York.

"DEAR SIR: Understanding that you and your associates are owners of a large interest in the Spreckels Sugar Refining Co. of Philadelphia, we beg to ask you at what price and upon what terms you are willing to sell your entire holdings of this stock.

"While our principal in this matter is the American Sugar Refining Co., and our idea is that that company should be the ultimate owners, we should, if so legally advised on the subject, be willing to purchase the stock as trustees under agreement to eventually resell upon specified terms to the said company.

"Respectfully, yours,

"GEO. C. MAGOUN,
"F. O. MATTHIESSEN,
"Committee."

"To which I replied as follows:

"GENTLEMEN: In reply to your letter of November 12, 1891, in reference to the purchase of the stock of the Spreckels Sugar Refining Co., held by myself and associates, I beg leave to say that in view of my position as director in the American Sugar Refining Co., I think any proposition to purchase this stock should come from your committee, and should be based upon your independent judgment of the value of the stock in view of prices which you have offered or been prepared to offer, for stock in other companies. I will not negotiate for myself or any associates upon any basis of what the stock may have cost, as we do not propose to sell except at a considerable advance upon such cost.

"Respectfully, yours,

H. O. HAVEMEYER."

"Nothing resulted from this proposition, but as it is again proposed that this stock should be acquired by the company, I desire that its action may be upon an intelligent understanding of the case.

"The stock was purchased without authority from the company, and without the use of either its funds or its credit, and, Spreckels refusing to treat with the company directly, I and my associates purchased at our own risk. If the company deems it important to acquire the stock it must, as I stated in my letter to your committee, make its offer upon its independent judgment of the value of the stock and without reference to its cost to us, as we do not propose to sell except at a considerable advance upon such cost. As a director of the company I shall take no part in the negotiation, and if terms are agreed upon they must be adopted by the board upon its independent judgment, and at a meeting when I am not present."

He thereupon withdrew.

Mr. Theodore A. Havemeyer, who was also present, stated that while he was not interested in the matter of the Franklin Refinery, he was a stockholder in the Spreckels Co., and as action was proposed to be taken regarding that refinery he would also withdraw, which he did, and Mr. Magoun took the chair.

Discussion was then continued, conferences which had taken place between the secretary and the representatives of the E. C. Knight Co. and Delaware refineries being also explained.

The question then arose whether, if the owners of the Spreckels Co. declined to sell, it was wise to acquire the other refineries. The secretary stated that he believed that Mr. Spreckels would in the end determine to sell on the basis of \$10,000,000; that he had not yet committed himself to do so, and had claimed much larger figures; that it, however, was the belief of the secretary that he would in the end consent to sell at the price named. Some of the directors then asked whether the Messrs. Have-

meyer would be willing to part with their 45 per cent interest in the Spreckles Co. on the basis mentioned, whether Mr. Spreckles did or did not sell. It was informally determined that it be ascertained whether they would do so. The secretary was instructed to learn. He had a conference with the Messrs. Havemeyer, and upon his return reported that they had consented to make the sale.

After some further discussion the resolutions, with the amounts filled in as stated, were unanimously passed.

On motion, adjourned.

JNO. E. SEARLES, JR., *Secretary.*

Minutes of a meeting of the board of directors of the American Sugar Refining Co., held on Tuesday, March 22, 1892, at 1.30 p. m.:

Present: Messrs. H. O. Havemeyer, T. A. Havemeyer, F. O. Matthiessen, William Dick, John E. Searles, jr., Joseph B. Thomas, George C. Magoun.

Minutes of the special meeting of March 10, were read and approved.

The secretary reported that under the instructions of the board he had concluded the purchase of the Franklin Sugar Refining Co. by the payment of \$10,000,000 in certificates, one-half common and one-half preferred; also of the E. C. Knight Co. for \$2,050,000, in certificates, and the Delaware Sugar Refinery for \$536,000, including commissions.

Also, the purchase of 45 per cent of the stock of the Spreckels Sugar Refining Co. on the basis of \$10,000,000 in certificates and that negotiations are in progress for the acquirement of the remaining 55 per cent of this stock. As yet no progress has been made in the matter of the Revere Sugar Refinery.

On motion the report was accepted and adopted.

A communication was received from Mr. Parsons, counsel of the company, containing an arrangement for continuing Messrs. Harrison, Frazier & Co. in the management of the Franklin Refinery for a period of 60 days under certain conditions therein stated, and on motion the following resolution was adopted:

Resolved, That the arrangement for continuing Messrs. Harrison, Frazier & Co. in the management of the Franklin Refinery as shown by the copy of letter of Mr. Parsons presented to the meeting and the other action therein stated be approved and said letter placed on file.

In connection with the foregoing, the following preamble and resolutions were unanimously adopted.

Whereas the acquisition of the Franklin Refinery but for the foregoing action would practically be consummated as of this date; and

Whereas the other Philadelphia interests purchased by the company have been substantially acquired, making it possible now to announce the issue of the stock used in the purchase of such interests; and

Whereas Messrs. Harrison, Frazier & Co. and other large owners of stock have made the objection that to make public the knowledge of the purchase of these properties at this time would be injurious to the interests of the stockholders, and the interest of the stockholders is that the business shall proceed quietly and without interruption so as to realize the best results:

Resolved, That the opinion of Mr. S. P. Nash, as well as that of the general counsel, be taken upon the subject whether the announcement may be postponed for the present, and if in their opinion it may be done, that no public announcement be made until further action of the board.

A further communication was received from Mr. Parsons containing a bill of Parsons, Shepard & Ogden for services, \$40,000; and John E. Parsons for special services in connection with the Franklin Refinery of \$50,000.

On motion the treasurer was authorized to pay the amounts named.

A communication relative to counsel fees after April 1 was also presented but laid over for future consideration.

The treasurer was authorized to retain Mr. John G. Johnson of Philadelphia as the counsel of the company in all matters pertaining to Philadelphia business.

On motion adjourned.

JNO. E. SEARLES, JR., *Secretary.*

Minutes of a meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, Tuesday, April 19, 1892, at 3 p. m.

Present: H. O. Havemeyer, T. A. Havemeyer, John R. Searles, jr., F. O. Matthiessen, William Dick, and Joseph B. Thomas.

The secretary reported that Mr. Magoun was absent from the city.

The minutes of the previous meeting were read and approved.

The treasurer reported the purchase of the remaining 55 per cent of the stock of the Spreckels Sugar Refining Co. on the same basis as the purchase previously advised, viz, at \$10,000,000 for the capital stock, and that a settlement had been arrived at with all the Philadelphia companies for their cash assets. The report was accepted and action approved.

The secretary presented communications called for in the resolutions adopted at the previous meeting from Messrs. Parsons and Nash, relative to the withholding of information respecting recent purchases. The communications were accepted and placed on file.

The executive committee reported their minutes.

The report was accepted and the action of the committee approved.

The journal of this day's meeting was also approved, and on motion the meeting adjourned.

JNO. E. SEARLES, JR., *Secretary*.

Minutes of a special meeting of the board of directors held at 117 Wall Street, June 3, 1892, at 2 o'clock p. m.

Present: H. O. Havemeyer, F. O. Matthiessen, John E. Searles, jr., William Dick, and George C. Magoun.

A telegram from Mr. Joseph B. Thomas was received stating his inability to be present.

The minutes of the regular meeting of May 17 were read and approved.

A form of contract to be executed with Louisiana planters, already approved by the executive committee, was on motion, adopted.

The following was adopted unanimously:

Resolved, That a dividend of 3½ per cent on the preferred and 4 per cent on the common stock of the company be declared payable July 2, 1892, transfer books to be closed on June 10 and reopened on July 5.

On motion the treasurer was authorized to issue and sell at par the stock of the company, half common and half preferred, to cover the cost of the stock of the Baltimore Sugar Refining Co. purchased to date, as also the additional stock subscribed for by the company, not to exceed in all \$1,000,000.

The treasurer reported that under the authority conferred upon him by the board of directors at the meeting in November last he had disposed of the Moller and Sierck Refinery property at \$250,000 cash for the real estate and buildings, all machinery to be removed.

On motion report accepted and sale approved.

On motion adjourned.

Minutes of adjourned meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street., New York, Tuesday, September 6, 1892, at 2.30 p. m.:

Present: H. O. Havemeyer, T. A. Havemeyer, William Dick, and John E. Searles, jr.

On motion of Mr. T. A. Havemeyer it was voted that a quarterly dividend of 2½ per cent be paid on the common stock of the company, payable on October 1; transfer books to close on September 13 at 3 o'clock p. m. and be reopened on October 3.¹

In the matter of quarterly dividends on preferred stock the secretary submitted a report from counsel advising against such payment in view of the form of the existing certificates.

On motion adjourned.

JNO. E. SEARLES, JR., *Secretary*.

Minutes of the regular meeting of the board of directors of the American Sugar Refining Co., Tuesday, December 20, 1892, at 2.30 p. m.:

Present: H. O. Havemeyer, T. A. Havemeyer, George C. Magoun, F. O. Matthiessen, John E. Searles, jr., and William Dick.

The minutes of the last regular meeting and of the special meeting of December 6, were read and approved.

The executive committee submitted their minutes of meetings of the past month, which were also approved.

¹ The president having referred to the necessity of protecting the company and its interests from injurious litigation and from other hurtful action and to appeals by each of the political parties for campaign expenses it was resolved (vide resolution as authenticated by the secretary).

On motion it was unanimously voted to submit for action at the stockholders' meeting the following amendment to the by-laws of the company, to wit:

Article VIII of the by-laws to be amended so as to read as follows:

"Dividends out of the surplus or net profits arising from the business of the corporation shall be paid quarterly on the second days of January, April, July, and October in each and every year, and said days are hereby fixed for that purpose, provided, however, that the directors may from time to time, in their discretion, declare and pay extra dividends upon either the preferred or general stock, or both, upon such days as they shall fix for that purpose."

Also the following:

Resolved, That for the existing certificates of preferred stock of the company there be substituted certificates in the same form with the exception that in place of the words "to semiannual dividends to be paid out of the net profits of the company on the second days of January and July in each year" there be substituted the following: To quarterly dividends to be paid out of the net profits of the company on the second days of January, April, July, and October of each year.

On motion, Messrs. William Dick and F. O. Matthiessen were appointed a committee to audit the books and accounts of the treasurer.

In issuing notices for the annual meeting of the stockholders the secretary was instructed to inclose proxies empowering Messrs. H. O. Havemeyer, F. O. Matthiessen, and William Dick, or either two of them, to vote as proxies at said meeting, and also state in the circular to be sent therewith the recommendation of this board that Messrs. John E. Searles, jr. and George C. Magoun be reelected for three years.

On motion adjourned.

JNO. E. SEARLES, Jr., *Secretary*.

The annual meeting of the stockholders was held at the office of the company, corner of Washington and Essex Streets, Jersey City, at 12 o'clock noon, on Wednesday, January 11, 1893. Due notice was given in the public prints and by mail in accordance with the requirements of the by-laws.

The meeting was called to order by Mr. H. O. Havemeyer, president, and on motion John E. Searles, jr. was appointed secretary.

The president then read the following statement:

STATEMENT OF THE PRESIDENT.

The report of the treasurer and the balance sheet of the company show the financial situation to the end of the fiscal year, December 1, 1892.

The wisdom of the policy which, at the organization of the company, was inaugurated, of increasing the volume of business by reducing as far as practicable the price, and which was continued during the year, has resulted satisfactorily. This will be made apparent by an examination of the figures shown in the treasurer's report.

In the line of that policy was the acquisition during the year of refining stock and properties at Philadelphia and Baltimore. The result has been greatly to augment production. It is believed that but for the scale upon which the business has been done, it would be impossible to furnish refined sugar at the price which has prevailed.

There has been this other advantage: By reason of the large stock of raw sugar which it is necessary to carry, the business has been made stable and put beyond fluctuations due to speculations and other temporary effects. An illustration was furnished by the cholera alarm which prevailed during the latter part of the summer. A serious check of importation was threatened. Under ordinary circumstances this was likely to have resulted in a large advance in the price of raw and a corresponding advance in the price of refined.

The judicious purchase of large quantities of raw sugar contributed materially to the good showing of the year.

Upon the whole, the president feels that he can congratulate the stockholders on the results of the business. The refineries of the company are in good running order. The business has been concentrated as far as possible and conducted with the closest economy. Expenses of administration and all general expenses have been kept at a minimum. The refineries whose stock has been acquired are being improved with a view to the best results, and every effort is being made to meet the demand for increased consumption, which it is hoped will result from the effort to maintain the prices at the lowest point.

H. O. HAVEMEYER, *President*.

JANUARY 11, 1893.

The treasurer also presented his annual report, together with the balance sheet showing the assets and liabilities of the company, which were read as follows:

WEDNESDAY, JANUARY 11, 1893.

To the Stockholders of the American Sugar Refining Co., in annual meeting:

GENTLEMEN: In accordance with the requirements of the by-laws the undersigned respectfully submits herewith his annual report as treasurer:

At the last annual meeting a resolution was adopted authorizing an increase of the capital stock of the company by the amount of \$25,000,000—half in common and half in preferred—the additional stock to be paid for in cash at par or to be used in payment for land and other property to be acquired by the company, for the purpose of its incorporation and for improvements upon or to its property to the amount of the value therefor, the stock to be used from time to time in such sums and in such manner and for such purposes as the board of directors shall determine.

Under the authority so given additional stock to the amount of \$23,546,000, half each common and preferred, has been issued for the purchase of the following Philadelphia refineries, i. e., the Franklin Sugar Refining Co., the E. C. Knight Co., the Spreckles Sugar Refining Co., and the Delaware Sugar House.

Also a large proportion of the capital stock of the Baltimore Sugar Refining Co., which amounts appear in the accompanying statement under the head of "Investments."

The \$10,000,000 of 6 per cent bonds issued in January, 1891, remain in the treasury of the company unsold, the bonds lodged as security under the reorganization agreement referred to in the last annual report having been released by the dissolution of the old corporations and returned to the treasury of the company.

At the annual meeting of the stockholders a year ago a resolution was adopted providing for a change in the fiscal year of the company to November 30 instead of December 31, as heretofore. The statement of the treasurer for the present year will therefore cover but 11 months, from January 1, to December 1, 1892.

The net earnings of the company for the 11 months, according to the books, have been \$8,615,837.52, from which amount semiannual dividends of 4 per cent on the common stock and 3½ per cent on the preferred were paid in July, and a quarterly dividend of 2½ per cent on the common stock on October 1, leaving a surplus of net earnings to December 1, of \$4,938,537.52, from which, however, is to be deducted the dividend paid on January 3 of \$2,206,380, which would leave a surplus of earnings for the 11 months, \$2,732,157.52.

There was brought over from the year 1891 a surplus of \$1,637,822.70, which, with the addition of 1892, makes the total surplus as of December 1, after deducting the dividends of January 3, \$4,369,980.22.

No dividends have been declared by the companies whose stock this company holds.

Annexed hereto is a statement of the assets and liabilities of the company on December 3, all of which is respectfully submitted.

JOHN E. SEARLES, Jr., *Treasurer.*

Assets and liabilities of the American Sugar Refining Co., December 3, 1892.

ASSETS.

Refineries plant account.....	\$41,250,000.00
Cash.....	1,271,992.04
Demand loans.....	7,186,500.00
Sugar, raw and refined.....	7,297,770.76
Sales account.....	4,609,528.38
Bone black and sundry supplies.....	1,584,040.25
Fire insurance policies and taxes account.....	55,724.93
Additional refinery property.....	1,547,240.37
Refinery improvement account.....	2,533,969.05
Investment account.....	23,546,000.00
Treasury stock.....	633,870.00
Stock in other corporations.....	2,438,160.81
Brooklyn Cooperage Co. loan account.....	651,605.26
Brooklyn Transportation Co. (Ltd.).....	420,674.84
Atlantic Mutual insurance scrip.....	6,773.40
Sundry open accounts.....	122,612.83
	<hr/>
	95,159,462.92

LIABILITIES.

Mortgages.....	\$180,000.00	
Loans.....	7,458,946.99	
Unpaid bills.....	1,813,390.48	
Foreign bankers, letter of credit account.....	3,896,449.10	
Due on open accounts.....	511,336.87	
Unpaid dividends.....	1,812.00	
Sugar Refineries Co.....	811,363.69	
Sales of real estate and materials.....	363,803.57	
Capital.....	73,546,000.00	
Surplus:		
1891.....	\$1,637,822.70	
1892.....	4,938,537.52	
	<hr/>	6,576,360.22
		<hr/>
		\$95,159,462.92

On motion the following resolution was unanimously adopted:

Resolved, That the statement of the president, the report of the treasurer, and the accompanying accounts and the action referred to in the statement, report, and accounts be, and they are, approved.

The secretary presented, on behalf of the board of directors, the following:

Resolved, That hereafter dividends be declared quarterly on the preferred stock; that the dividend dates be January 2, April 2, July 2, and October 2; that the form of certificate be changed accordingly, certificates in the new form to be exchanged on and after February 1 next; and that the by-laws be amended so as to correspond with the above change, all the above to take place by and under the direction of the counsel of the company.

On motion this resolution was also unanimously adopted.

Mr. J. B. Gleason moved that the stockholders hereby tender a vote of thanks to the officers and directors of the company for their able and efficient management during the past year.

The motion was put by Mr. Gleason and adopted unanimously.

A motion was made that the meeting proceed to ballot for two directors in place of John E. Searles, jr., and George C. Magoun, whose terms of office had expired.

Messrs. Charles Greer and G. M. Belludge were elected inspectors of election.

The polls were opened at 12.45 p. m.

The president stated that he was under the necessity of retiring, and on motion Mr. F. O. Matthiessen was elected chairman for the remainder of the meeting.

At 1.45 p. m. the polls were closed, when the inspectors of election reported:

"The undersigned, appointed by the stockholders inspectors of election at the annual meeting of the American Sugar Refining Co. on January 11, 1893, hereby certify that 424,704 votes were cast, all of them for John E. Searles, jr., and George C. Magoun for directors for three years.

"CHAS. GREER,
"G. M. BELLUDGE,
"Inspectors."

The above-named gentlemen were therefore declared elected for the term of three years.

On motion the meeting then adjourned.

JOHN E. SEARLES, Jr., *Secretary*.

Minutes of an adjourned meeting of the board of directors of the American Sugar Refining Co. held Tuesday, January 24, 1893, at 1 o'clock p. m.:

Mr. Dick gave notice of an amendment to that section of the by-laws defining the duties of the treasurer, to wit: To strike out the words "and submit the same with his books at the close of each year to an auditing committee which shall consist of two directors who shall be appointed by the board at its last monthly meeting in each year."

On motion adjourned.

Minutes of a meeting of the board of directors of the American Sugar Refining Co. held on Thursday, February 23, 1893, at 2:30 p. m.:

The amendment to the by-laws offered at the last meeting by Mr. Dick was on motion of Mr. Magoun adopted.

Minutes of a special meeting of the board of directors held March 7, 1893 at 2.30 p. m.

Present: H. O. Havemeyer, F. O. Matthiessen, William Dick, Joseph B. Thomas and John E. Searles.

The following preamble and resolution were unanimously adopted.

Whereas, the earnings of the company during the past quarter warrant an increase of dividend on the common stock;

And whereas since the annual report of the treasurer to the stockholders on December 1, 1892, returns received from the corporations whose stock is held by this company (for the year ending Mar. 1, 1893) render unnecessary for working capital the further retention of the surplus earnings of 1891 and 1892, as shown by the annual report:

Resolved, That there be paid a quarterly dividend of 3 per cent on the common stock and in addition there be paid an extra dividend of 10 per cent on the common stock from the surplus earnings of 1891 and 1892, and that a dividend of 1½ per cent be paid on that portion of the preferred stock of the company which is entitled to quarterly dividends, all the above dividends being payable on April 3 to stockholders of record March 13, when the transfer books will be closed, to be reopened on April 3.

Minutes of a special meeting of the board of directors of the American Sugar Refining Co., Wednesday, March 8, 1893, at 2.30 p. m.

Present: William Dick, George C. Magoun, F. O. Matthiessen, Joseph B. Thomas, and John E. Searles.

Mr. Dick in the chair.

The secretary stated that the meeting had been called to consider a proposition from Mr. Charles H. Senff to sell 3,000 shares of the capital stock (i. e., 30 per cent) of the Mollenhauer Sugar Refining Co. at 130, payable half each in common and preferred stock of this company.

On motion of Mr. Magoun, seconded by Mr. Thomas, the proposition was accepted, and the treasurer was instructed on delivery of the stock of the Mollenhauer Sugar Refining Co. as above to issue and deliver 1,950 shares each of common and preferred stock in payment for same.

On motion adjourned.

Minutes of a meeting of the board of directors of the American Sugar Refining Co. held Tuesday, March 21, 1893, at 3 o'clock p. m.

The salary of Mr. F. O. Matthiessen was fixed at \$35,000 from January 1 as chairman of the manufacturing committee, with the understanding that his services are available at any point desired, in the interest of the company.

On motion adjourned.

Minutes of a meeting of the board of directors of the American Sugar Refining Co. held on Tuesday, April 18, 1893, at 2.10 p. m.

Present: H. O. Havemeyer, T. A. Havemeyer, John F. Searles, William Dick, Joseph B. Thomas, and George C. Magoun.

The minutes of the previous meeting were read and approved. The records of the executive committee were also read and approved.

The present organization of the Franklin Sugar Refining Co. was reported by the secretary, and upon motion of Mr. Magoun, action was deferred for advice of counsel.

On motion the substitution of Mr. George H. Frazier for W. W. Harrison as a director in the board of the E. C. Knight Co. was recommended.

The following resolution was adopted:

Resolved, That the Franklin Sugar Refining Co. be requested to deposit with the treasurer of this company all money in their hands not required for the business of that company at 6 per cent interest.

On motion adjourned.

JOHN E. SEARLES, *Secretary*.

Minutes of a special meeting of the board of directors held June 6, 1893, at 2.30 p. m.:

The following resolution was unanimously adopted:

Resolved, That a dividend of 1½ per cent on that portion of the preferred stock which is entitled to quarterly dividends and 3½ per cent on that portion of the preferred

stock which is entitled to semiannual dividends, and on the common stock a quarterly dividend of 3 per cent be declared, payable July 3, 1893. The transfer books to close on June 12 and reopen July 5.

On motion the treasurer was authorized to make, in his discretion, a loan to Mr. William DeFord against stock of the Baltimore Sugar Refining Co.

Minutes of a special meeting of the board of directors held at 117 Wall Street, New York, Wednesday, September 6, at 12.30 o'clock p. m.:

The following resolution was unanimously adopted:

Resolved, That to meet the extraordinary outlays required for the protection of the company and the interests of its stockholders the president, with the cooperation of the treasurer, be authorized and directed from time to time for the company to use such sums and to incur such liability as he shall think best, and that such outlay be charged to an account to be known as "Special expense account."

On motion adjourned.

JOHN E. SEARLES, *Secretary*.

Minutes of a special meeting of the board of directors of the company held at 117 Wall Street, N. Y., on Wednesday, December 6, 1893, at 1 p. m.:

On motion of Mr. T. A. Havemeyer, \$10,000 additional salary was voted the secretary and treasurer for the year 1893.

On motion the following dividends were declared payable January 2, 1894: On that portion of the preferred stock entitled to quarterly dividends $1\frac{1}{4}$ per cent; on that portion of the preferred stock entitled to semiannual dividends $3\frac{1}{2}$ per cent; on the common stock a quarterly dividend of 3 per cent.

Transfer books to be closed on December 13, at 3 p. m. and reopened January 3.

Minutes of the regular meeting of the board of directors of the company held at 117 Wall Street, New York, on Tuesday, December 19, 1893, at 12.30 p. m.:

Present, H. O. Havemeyer, F. O. Matthiessen, John E. Searles, and William Dick.

The minutes of the meetings of November 29 and December 6, were read and approved.

The executive committee reported their records which were approved.

The secretary was instructed to issue notices for the annual meeting of stockholders on January 10, 1894, and to ask for proxies empowering Messrs. T. A. Havemeyer, John E. Searles, or either two of them to vote as proxies at said meeting and also to state that the board recommends the reelection of Messrs. H. O. Havemeyer, F. O. Matthiessen, and William Dick.

On motion adjourned subject to the call of the chair.

Minutes of the adjourned meeting of the board of directors of the company held at 117 Wall Street, N. Y., Tuesday, December 26, 1893 at 12.30 p. m.:

On motion it was unanimously resolved that in sending out the proxies for the annual meeting in January next the name of Mr. John E. Parsons be recommended to fill the unexpired term of Mr. George C. Magoun, deceased.

On motion adjourned to Wednesday, January 3, 1894, at 12 m.

Minutes of a special meeting of the board of directors, held at 117 Wall Street, New York, on Monday, January 12, at 2 o'clock p. m.:

Resolved, That Mr. Theo. A. Havemeyer be empowered on behalf of this board to vote the stock held by this company in the Franklin Sugar Refining Co., at the annual meeting to be held on Wednesday, February 14, 1894, for the following directors: Theo. A. Havemeyer, H. O. Havemeyer, John E. Searles, W. W. Harrison, George H. Frazier.

Minutes of a special meeting of the board of directors of the company, Saturday, March 10, 1894, at 1 o'clock p. m.:

On motion, Mr. John E. Parsons was elected to fill the vacancy in the board caused by the death of Geo. C. Magoun.

An application from the Forty-seventh Regiment National Guard, State of New York, for a donation for their armory was presented, as also a like request from Jersey City.

The treasurer was authorized to expend not to exceed \$2,500 for each of the above, on the recommendation of Messrs. Theo. A. Havemeyer and F. O. Matthiessen; also a sum not exceeding \$100 for advertising in connection with a publication of the Knights of Labor.

The following was unanimously adopted:

Resolved, That all matters pertaining to tariff legislation be, and the same are hereby, referred to the president, the treasurer, and Mr. John E. Parsons, with full power to take, in their discretion, such action as they may think best for the interest of the company.

The annual meeting of the stockholders, being duly called in accordance with the proper legal notice, was held at the corner of Washington and Essex Streets, Jersey City, on Wednesday, January 10, 1894, at 12 o'clock.

The president, H. O. Havemeyer, in the chair.

On motion, Mr. John E. Searles was chosen secretary and Mr. George S. Hunt and C. W. Sierck were appointed tellers.

At 1.15 the tellers reported that, not including those who had given proxies, there were present in person 11 stockholders, representing 4,882 shares, and represented by proxy 2,232 stockholders, representing 268,628 shares; a total representation of only 273,510 shares. Number of shares required to make quorum, 369,681.

The chairman stated that in view of the lack of a quorum no meeting could be held, and on motion of Mr. Sierck, duly seconded, the meeting adjourned to Wednesday, February 14, 1894, at 12 m. at the same place.

Minutes of a special meeting of the board of directors of the company, held at 117 Wall Street, New York, Tuesday, March 27, 1894, at 1.30 p. m.:

The secretary reported that the annual meeting of the Delaware Sugar House and the Spreckels Sugar Refining Co. would be held on Wednesday, March 28, and on motion of Mr. T. A. Havemeyer was authorized to vote the stock of the company in the above corporations for the following directors in both companies, to wit: T. A. Havemeyer, H. O. Havemeyer, John E. Searles, Joseph A. Ball, and Charles Watson, and the treasurer was directed to prepare the necessary proxy.

On motion, adjourned.

Minutes of a special meeting of the board of directors of the company, held at 117 Wall Street, New York, Wednesday, April 18, 1894, at 1.30 p. m.:

On motion it was recommended that the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co. each pay to Mr. Theodore A. Havemeyer, as president, a salary of \$12,500 per annum.

Minutes of a special meeting of the board of trustees, Tuesday, September 11, 1894, at 12 noon:

Present, T. A. Havemeyer, John E. Parsons, William Dick, F. O. Matthiessen, W. B. Thomas, and John E. Searles.

T. A. Havemeyer, vice president, in the chair.

Mr. John E. Parsons presented the following resolution, which was seconded by Mr. Dick and unanimously adopted:

Resolved, That for extraordinary services rendered by Mr. H. O. Havemeyer, from and including the purchase of the Philadelphia and other refineries to date, under an arrangement that he should be suitably compensated, his offer to accept \$100,000 be, and the same hereby is, accepted, and the treasurer is directed to pay him that amount, taking his receipt in full.

Mr. H. O. Havemeyer arrived and assumed the chair.

On motion it was—

Resolved, That the following dividends be declared and paid October 2, 1894, viz: On that portion of the preferred stock which is entitled to quarterly dividends $1\frac{1}{4}$ per cent; on the common stock, a quarterly dividend of 3 per cent.

Transfer books to close on September 17, at 3 o'clock, and be reopened October 3 at 11 a. m.

Mr. H. O. Havemeyer and Mr. William Dick voted in the negative.

On motion the officers of the company, together with the counsel, were requested to prepare a general statement concerning tariff legislation, to be presented at the next meeting of the board.

Mr. Thomas asked an expression from the board as to the value to be placed on the idle properties in Boston.

On motion it was voted that the board will authorize the sale of the Bay State property at not less than \$125,000, and of the East Boston property at not less than \$300,000.

On motion adjourned to Tuesday, September 25, 1894, at 12.30 p. m.

Minutes of an adjourned meeting of the board of directors, Tuesday, September 25, 1894, at 12.30 p. m.:

The treasurer was authorized to vote, on behalf of this company, for the following directors at the annual meeting of the Baltimore Sugar Refining Co., October 9, 1894, viz: John E. Searles, W. W. Spence, William F. Frick, W. S. Rayner, and George Poole.

On motion the treasurer was authorized to subscribe \$1,000 each to the Twenty-third and Thirteenth Regiments of Brooklyn, toward the furnishing of armories.

Minutes of a meeting of the board of directors, held at 117 Wall Street, New York, on Tuesday, October 16, 1894, at 12.30 p. m.:

The secretary was authorized to expend, at his discretion, \$25,000 for advertising and newspaper work.

On motion adjourned.

Minutes of a special meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Wednesday, December 5, 1894, at 1 o'clock p. m.:

Present, H. O. Havemeyer, Theo. A. Havemeyer, John E. Searles, F. O. Matthiesen, William Dick, W. B. Thomas, and John E. Parsons.

The secretary stated that the meeting was a special meeting, called for the consideration of the dividend and such other matters as might be brought before the meeting.

The following letter was read from the counsel of the company:

NEW YORK, December 4, 1894.

TO THE AMERICAN SUGAR REFINING CO.

DEAR SIR: The situation about dividend is this:

1. Preferred stock: If during the year the company has earned 7 per cent upon the preferred stock the dividend is due.

It is my opinion that the holders of preferred stock have a preferential right to that dividend out of the net profits at any time on hand.

2. Common stock: The New Jersey statute provides that once a year all surplus net profits shall be turned over to the holders of common stock.

The directors have a discretion to retain earnings for the purposes of the business. Subject to the fair exercise of this discretion the holders of the common stock are entitled to the profits. Directors withhold them upon their own responsibility.

It seems to me that if the dividend rate upon the common stock were changed it might provoke objection; that if no change is made the probability is that all holders will acquiesce.

As it is sufficiently known that prior to the change in the tariff there were surplus profits more than sufficient to pay a dividend at the regular rate, I am at a loss to see how we can justify ourselves for withholding payment. If we should say that we regard it to the interest of stockholders that the rate shall be reduced, the answer could be that it was for them, not the board, to determine that question.

If the board acquiesces in this view, I suggest that the proper course will be to declare the dividend, but to do so under a resolution in this form:

"Resolved, That a dividend payable January next be declared upon the stock of the company as follows:

"Upon the preferred stock, 1½ per cent; upon the common stock, 3 per cent, payable out of earnings made prior to the changes in the tariff."

I have been asked to suggest a form of statement to accompany the dividend resolution. I inclose a suggestion.

Yours, truly,

JOHN E. PARSONS.

On motion, the following resolution was unanimously adopted:

Resolved, That the following dividend be declared payable January 2, 1895:

On that portion of the preferred stock which is entitled to quarterly dividends, 1½ per cent; on that portion of the preferred stock which is entitled to semiannual dividends, 3½ per cent; on the common stock, a dividend of 3 per cent.

All payable from earnings prior to September 1.

The transfer books will close on December 12 at 3 o'clock p. m. and be reopened on January 3.

The form of statement referred to in the letter of counsel was also read and after amendment was, on motion, referred to the treasurer for publication and to be transmitted to each stockholder with the January dividend.

On motion, adjourned.

Minutes of a meeting of the board of directors held on Thursday, December 20, 1894, at 1 o'clock p. m.:

The secretary was instructed to issue notices of the annual meeting of stockholders on January 9, 1895, and to ask for proxies empowering Messrs. John E. Searles, Oliver Ames, and —————, or either two of them, to vote as proxies at said meeting and also to state that the board recommends the reelection of Messrs H. O. Havemeyer, F. O. Matthiessen, Wm. Dick, T. A. Havemeyer, W. B. Thomas, and John E. Parsons.

On motion, adjourned.

The annual meeting of the stockholders of the American Sugar Refining Co. was held at the office of the company, corner of Washington and Essex Streets, Jersey City, at 12 o'clock noon, on Wednesday, January 9, 1895, due notice having been given in the public prints and by mail, in accordance with the requirements of the by-laws.

In the absence of the president the meeting was called to order by Mr. Theodore A. Havemeyer, vice president, and, on motion, John E. Searles was appointed secretary.

The chairman reported that on account of illness the president was unable to attend.

The secretary stated that by reason of the failure to hold the annual meeting in January, 1894, an election is to be had for three directors to serve two years in place of H. O. Havemeyer, F. O. Matthiessen, and William Dick, who are holding office until others are chosen and qualified in their stead; also for one director for one year in place of John E. Parsons, appointed by the directors in place of George C. Magoun, deceased, and for the election of two directors to serve for three years in place of Theo. A. Havemeyer and W. B. Thomas, whose terms of office expire at that time.

A motion was made by J. A. Ball, that the meeting proceed to ballot for directors to fill the places of the persons named, which being duly seconded was unanimously adopted.

On motion Messrs. John Offerman and George S. Hunt were appointed inspectors of election and the polls were opened at 12.15 o'clock p. m.

The secretary made the following report:

To the stockholders of the American Sugar Refining Co., in annual meeting, January 9, 1895.

GENTLEMEN: I am instructed by the board of directors to report from their minutes on November 21, 1894, the following resolution, which was unanimously adopted, to wit:

"That the fiscal year of this company be changed to December 31, in lieu of November 30, as heretofore, in order to conform to the requirements of the tariff law in re income tax."

At a meeting of the board of directors held on Monday, January 7, the treasurer reported that the shortness of the time between the closing of the books on the 31st of December and the annual meeting made it impossible to submit a financial report to the stockholders at the meeting on the 9th instant.

On motion it was unanimously voted that the financial statement of the company should be sent by mail to the stockholders as soon as prepared.

Respectfully submitted.

JNO. E. SEARLES, *Secretary*.

On motion the following was unanimously adopted:

Resolved, That the action of the directors in changing the fiscal year of the company to December 31 be approved, and that they be requested to forward to each stockholder as soon as prepared a copy of the annual report.

At 1. 15 p. m. the polls were closed and the inspectors reported as follows:

The undersigned, appointed by the stockholders inspectors of election at the annual meeting of the American Sugar Refining Co., on January 9, 1895, hereby certify that 385,234 votes were cast for the following:

Directors for two years: H. O. Havemeyer, F. O. Matthiessen, Wm. Dick.

Directors for three years: T. A. Havemeyer, W. B. Thomas.

Director for one year: Jno. E. Parsons.

JOHN OFFERMAN.

GEO. S. HUNT.

The chairman announced that in accordance with the report of the inspectors the gentleman above named were elected directors for the terms specified.

On motion adjourned.

Minutes of a meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Wednesday, January 16, 1895, at 1.30 o'clock p. m.:

The president presented a bill from Mr. Jno. E. Parsons, counsel, for extraordinary services, amounting to \$6,500, which was, on motion, ordered paid.

Minutes of a special meeting of the board of directors, Thursday, March 7, 1895, at 1 o'clock p. m.

The secretary, as a director of the Baltimore Sugar Refining Co., asked for instructions concerning the rebuilding of that refinery.

On motion it was

Resolved, That if the other stockholders in the company shall vote in favor of the rebuilding of the refinery he be authorized to consent on behalf of this company to such rebuilding.

A meeting of the directors of the American Sugar Refining Co., pursuant to notice duly given, was held at the office of the company Wednesday, April 10, 1895, at 12 m.:

Upon motion it was

Resolved, That the company become a stockholder of the Brooklyn Distilling Co., about to be formed, to the amount of \$496,500, and that the president be authorized to sign the necessary papers.

Resolved, further, That the company lease to the Brooklyn Distilling Co. the property in Brooklyn, E. D., which formerly belonged to the De Castro & Bonner Sugar Refining Co., situate between Kent Avenue and East River on South Ninth Street, at an annual rental of \$25,000, and that the company give the consent required by section 3262 of the United States Revised Statutes, the lease and the consent to be signed either by the president or by the secretary.

Resolved, further, That in view of the situation of his health, resulting from his service in connection with tariff and other matters, there be given to the president a leave of absence from May 1 to November 1 next, his salary to continue.

Minutes of a special meeting of the board of directors held on Friday, June 7, 1895, at 12.30 p. m.:

On motion the treasurer was authorized to subscribe an amount not to exceed \$1,000 toward the furnishing of the armory of the Fourteenth Regiment, N. G. S. N. Y., in Brooklyn.

Minutes of a meeting of the board of directors held on Wednesday, June 19, 1895, at 12.30 p. m.:

It was further voted that it is the sense of the board that the Baltimore Sugar Refining Co. should not award contracts for rebuilding until the subscriptions for the additional stock are completed.

Minutes of a meeting of the board of directors held at 117 Wall Street, New York, on Wednesday, August 21, 1895, at 2 p. m.:

The treasurer reported that the new stock of the Baltimore Sugar Refining Co. was reported to have been all subscribed, and in reference to sugar shed, that the matter was in the courts and no action would be had until October.

A communication was presented from Mr. Thomas stating that the Bay State property could be sold for \$100,000 in cash.

On motion it was voted that the offer be accepted and the officers of the company authorized to execute the necessary conveyances.

The minutes of the meeting of the board of directors held at 117 Wall Street, New York, on Wednesday, September 18, 1895, at 12.15 p. m.:

The secretary presented his report on the subject of the Wholesale Grocers' agreement and submitted a new form of letter and agents' agreement which upon reading were unanimously approved and the putting of same in force at once was authorized.

It was also

Resolved, That the treasurer be, and he hereby is, authorized to act for the company as holder of the stock of the E. C. Knight Co. in proceedings for the sale of the property and franchise of that company to the Franklin Sugar Refining Co., and in procuring the dissolution of the Knight Co.; the treasurer being hereby authorized to take all such action as may be requisite for the purpose.

Resolved, That the treasurer be and he hereby is authorized to act for the company as holder of the stock of the Delaware Sugar House in proceedings for the sale of the property and franchise of that company to the Spreckels Sugar Refining Co., and in procuring the dissolution of the Delaware Co.; the treasurer being hereby authorized to take all such action as may be requisite for the purpose.

Minutes of a meeting of the board of directors held on Wednesday, December 18, 1895, at 12.15 p. m.:

On motion the treasurer was authorized to vote the stock of the American Sugar Refining Co. at the meetings of the Delaware Sugar House and E. C. Knight Co. on the 19th instant (see text of resolution annexed), and also the stock of the Philadelphia Refineries, Brooklyn Cooperage Co., Brooklyn Transportation Co. (Ltd.), and the Brooklyn Distilling Co. at the next succeeding annual meetings of the several corporations.

The secretary was directed to send out in due course the notices for the annual meeting of stockholders on the 8th day of January next and to ask for proxies empowering John E. Searles, Jacob C. Rogers, and David B. Ogden, or either two of them, to vote as proxies at said meeting and also to state that the board recommends the reelection of Messrs. John E. Searles and John E. Parsons.

Annual meeting of the stockholders of the American Sugar Refining Co., held at the office of the company, Washington Street, Jersey City, Wednesday, January 8, 1896, at 12 m.

The meeting was called to order by Mr. H. O. Havemeyer, president, and on motion Mr. John E. Searles was appointed secretary.

The secretary presented affidavits of publication of the notice for the annual meeting.

The president then read the following statement:

"The statement which no doubt will be most interesting to the stockholders is that during the past year the usual dividends, 7 per cent per annum, upon the preferred stock and 12 per cent per annum upon the common have been paid. The company has adhered to the policy of promoting consumption by keeping the price of sugar at a point as low as is consistent with a fair return from the business. The refineries of the company have been kept in the best condition for practical efficiency with a view of taking advantage of all possible savings and economies. Expenses of advertising and expenses of sales by the company are kept at a minimum. Unless the directors are instructed to the contrary, they will continue to pursue the course which up to this time has actuated them in the management of the company's business. If the stockholders wish differently, or, in fact, if they have any wish upon any subject which concerns the interests of the company, the directors will be glad to conform."

The following resolution was unanimously adopted:

Resolved, That the course up to this time pursued by the directors in the management of the business of the company is approved. They are requested to continue the same course, and generally to follow the policy and mode of transacting the business which has been heretofore pursued.

It was voted that the meeting proceed to the election of two directors to fill the places of John E. Searles and John E. Parsons, whose terms of office have expired, and the president appointed James F. Ringland and C. R. Heike inspectors of election. At 12.15 the polls were declared open and at 1.15 they were closed.

The inspectors reported as follows:

"The undersigned, James F. Ringland and C. R. Heike, duly appointed inspectors of the election of the stockholders of the American Sugar Refining Co. for their meeting held this day at the office of the company at Jersey City, N. J., report that the entire number of shares voted was as follows:

"Two hundred and forty-six thousand seven hundred and fifty-nine shares of common stock, 204,748 shares of preferred stock; in all, 451,507 shares, and that all the shares voted in favor of John E. Searles and John E. Parsons, as directors for three years to fill the vacancies caused by the expiration of their terms of office this day.

"Dated Jersey City, N. J., January 8th, 1896.

"JAMES F. RINGLAND,
"C. R. HEIKE."

On motion, the meeting adjourned.

Adjourned meeting of the board of directors held at the office of the company Monday, January 20, 1896, at 12 m.:

The secretary presented the record of the stockholders' meeting of January 8 showing the election of Messrs. John E. Searles and John E. Parsons for three years to succeed themselves as directors.

It was voted that the election of officers for the ensuing year should be had and the following were unanimously elected, viz:

H. O. Havemeyer, president; T. A. Havemeyer, vice president; William Dick, second vice president; John E. Searles, secretary and treasurer.

On motion an executive committee of five was appointed consisting of Messrs. H. O. Havemeyer, T. A. Havemeyer, F. O. Matthiessen, William Dick, and John E. Searles, with power to conduct the business of the company in all its departments in the interim of the meeting of the board.

On motion adjourned.

Minutes of a meeting of the board of directors held on Wednesday, March 18, 1896, at 12.30 p. m.:

On motion the treasurer was directed to execute to Mr. Robert Oxnard proxy to vote at the ensuing annual meeting of the Western Sugar Refining Co. on the stock held by this company in that corporation.

Minutes of a special meeting of the board of directors of the American Sugar Refining Co. held on Wednesday, May 6, 1896, at 12.15 p. m.:

The treasurer submitted a report in the matter of manufacture of raw sugar in Louisiana, recommending the purchase of a controlling interest in the Grammercy

Park Co. and the erection of a new factory at Donaldsonville, La., the building and equipment of a railroad from Donaldsonville to Thibodaux, and the acquiring of 15,000 acres, more or less, of land along the line of said railroad.

On motion the report was accepted and the treasurer was authorized to enter into contracts on behalf of the company in accordance with the recommendations, the total expenditure not to exceed \$1,000,000.

Minutes of regular meeting of board Wednesday, November 18, 1896, at 12 m.:

The manufacturing committee were instructed to submit plans for a coffee-roasting plant at north Second Street, with a capacity of 3,000 bags per day.

On motion adjourned.

Minutes of regular meeting of the board of directors Wednesday, December 16, 1896, at 12.30.

The manufacturing committee reported in the matter of coffee roasting business that the cost of alterations in the north Second Street plant including taking out machinery would be approximately \$84,000, and the cost of installing 36 roasters and accompanying appliances, with a capacity of 3,000 bags in 24 hours, would be \$41,000.

The report on the installation of the plant was referred to the executive committee with power.

On motion the matter of tariff was referred to the president, treasurer, and counsel of the company with power.

On motion the usual circular respecting annual meeting was ordered to be sent out by the secretary with the names of John E. Searles, D. B. Ogden, and J. C. Rogers as proxy committee.

The president reported the purchase of 1,100 shares of the capital stock of the Woolson Spice Co., Toledo, at a cost of \$1,150 per share, plus commissions, amounting to _____.

On motion the report was approved and the payment of the money authorized.

The annual meeting of the stockholders of the American Sugar Refining Co., was held pursuant to call at the office of the company in Jersey City, N. J., on Wednesday, January 13, 1897, at 12 o'clock, noon.

The meeting was called to order by the president, Mr. H. O. Havemeyer, and on motion Mr. John E. Searles was appointed secretary.

The president presented his annual statement concerning the business of the company as follows:

"To the stockholders of the American Sugar Refining Co.

"GENTLEMEN: The principal business before your meeting is the election of three directors in place of Messrs. H. O. Havemeyer, F. O. Matthiessen, and William Dick. Those gentlemen have been nominated to be their own successors. If they shall be elected the board will feel that in their management of the business of the company down to this time they have the approval of the stockholders.

"During the past year the corporation law of New Jersey has been revised and consolidated in 'An act concerning corporations' which was approved April 21, 1896.

"The act seems to make proper that some additions shall be made to the by laws of the company prescribing the powers, privileges, and duties of the directors.

"An amendment to answer this purpose will be submitted for the consideration of the stockholders.

"The act prescribes that the power to make and alter by-laws shall be in the stockholders.

"The business of the company since the last annual meeting has required constant attention on the part of the board and its officers. It is only by such attention that the company may have that success to which it should be entitled. Our effort must be to transact the business on terms as favorable to consumers as is consistent with a fair return for the amount of capital invested and from the business judgment and ability which are required.

"On behalf of the board permit me to say that the greatest satisfaction which they can receive will come from the approval of the stockholders. With that approval the members of the board will continue to devote themselves to the company's business as they have done heretofore, realizing as they do that what the stockholders must regard as most to their interest is that the business shall be so conducted as to

enable the company to continue to pay its dividends with the regularity which has characterized them heretofore."

Mr. J. B. Gleason then moved the following resolutions:

Resolved, That the stockholders hereby approve the action of the directors in fixing dividends at the rate at which they have been declared and paid down to and including the dividends of January 2, 1897.

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its affairs and their action generally down to this time.

The above resolutions were unanimously adopted, after which the meeting proceeded to the election of three directors, to serve for three years in place of H. O. Havemeyer, F. O. Matthiessen, and Wm. Dick, whose terms of office had expired.

Messrs. Jno. Offerman and C. R. Heike were appointed tellers and the polls were declared open at 12.22 p. m. and continued open for one hour.

Mr. David B. Ogden offered the following amendment to the by-laws of the company:

"To the first by-law add:

"The business of the company shall be managed by the directors. They may purchase, hold, and convey such real and personal estate as in their judgment the purposes of the company shall require. They shall manage the property of the company and regulate and govern its affairs according to their best judgment. They shall possess and exercise all the powers and privileges conferred upon the company, except where such powers and privileges are by law restricted and limited to the action of stockholders. They shall determine what dividends shall be declared from the profits of the company and shall fix the amount to be reserved as a working capital. If in their judgment it is desirable, they may increase or decrease the capital stock of the company, change the location of its principal office in New Jersey, extend its corporate existence, and make any other amendment, change, or alteration in the management and organization of the company which shall be permitted by the statutes of New Jersey in force at the time, and upon compliance with such statutes."

On motion, the by-law as read was unanimously adopted.

The following resolution was also presented and adopted unanimously:

Resolved, That it is the opinion of the stockholders that the business of the company should be assisted and protected by the control and ownership of interests in such other business as in the judgment of the directors will conduce to that end and such action of the directors, past and future, is hereby authorized and approved.

The president being obliged to leave, Mr. William Dick, second vice president, was called to the chair.

At 1.22 p. m. the polls were declared closed and the tellers made their report that 501,561 votes had been cast, all of them for H. O. Havemeyer, F. O. Matthiessen, and William Dick.

On motion, adjourned.

JNO. E. SEARLES, *Secretary*.

A meeting of the directors was held at the close of the stockholders' meeting.

Present: H. O. Havemeyer, T. A. Havemeyer, Wm. Dick, Jno. E. Parsons, and Jno. E. Searles.

Mr. H. O. Havemeyer in the chair.

The secretary reported the election of Messrs. H. O. Havemeyer, F. O. Matthiessen, and Wm. Dick as directors of the company.

On motion the meeting proceeded to the election of officers for the ensuing year, which resulted in the unanimous choice of H. O. Havemeyer, president; T. A. Havemeyer, vice president; Wm. Dick, second vice president; Jno. E. Searles, secretary and treasurer.

The executive committee was reappointed, consisting of H. O. Havemeyer, T. A. Havemeyer, F. O. Matthiessen, Wm. Dick, and Jno. E. Searles.

The treasurer was called upon for a report regarding the purchase of the Woolson Spice Co. property, whereupon he stated that Messrs. Havemeyers & Elder, who had purchased the property, had declined thus far to transfer same to this company and that the stock of the Woolson Spice Co. had not as yet come into his possession.

The committee on coffee-roasting plant in Brooklyn reported progress and asked for authority to remove the retort house at North Third Street and dispose of the material, which was, on motion, duly authorized.

On motion adjourned.

A meeting of the directors was held at the close of the stockholders' meeting January 13, 1897.

Present: H. O. Havemeyer, T. A. Havemeyer, W. Dick, J. E. Parsons, and J. E. Searles.

Mr. H. O. Havemeyer in the chair.

The secretary reported the election of Messrs. H. O. Havemeyer, F. O. Matthiessen, and W. Dick as directors of the company.

On motion the meeting proceeded to the election of officers for the ensuing year, which resulted in the unanimous choice of H. O. Havemeyer, president; T. A. Havemeyer, vice president; W. Dick, second vice president; Jno. E. Searles, secretary and treasurer.

The executive committee was reappointed, consisting of Messrs. H. O. Havemeyer, T. A. Havemeyer, F. O. Matthiessen, W. Dick, and J. E. Searles.

The treasurer was called upon for a report regarding the purchase of the Woolson Spice Co. property, whereupon he stated that Messrs. Havemeyer & Elder, who had purchased the property, had declined thus far to transfer same to this company and that the stock of the company had not yet come into his possession.

The committee on coffee-roasting plant in Brooklyn reported progress and asked for authority to remove the retort house at North Third Street and dispose of the material, which was, on motion, duly authorized.

On motion adjourned.

H. O. HAVEMEYER.
T. A. HAVEMEYER.
JNO. E. PARSONS.
WM. DICK.
JNO. E. SEARLES.

Minutes of a special meeting of the board of directors held on Wednesday, April 14, 1897, at 12.30 p. m.

The treasurer reported that in accordance with a resolution adopted by the executive committee February 3, 1897, authorizing the purchase of a half interest in the beet-sugar enterprises of Mr. Spreckels on the Pacific coast, he had at his request visited San Francisco and as the result of weeks' negotiations had reached an agreement with Mr. Spreckels by which the American Sugar Refining Co. are to purchase a half interest in the Western Beet Co.'s property at Watsonville, Cal., on the basis of \$1,500,000, also one-half of Mr. Speckels's interest in the Pajaro Valley Railroad on the basis of \$500,000 and in addition one-half interest in 6,000 acres, more or less, of land near Salinas, Cal., at \$125.00 per acre, and in sundry leases at cost, and to take a one-half interest in the building of a new sugar beet factory at Salinas, the two factories to be owned and operated by a single company, one-half of the stock of which is to be held by The American Sugar Refining Co., the leases under which the Western Sugar Refining Co. is operating the San Francisco refineries to be extended for an additional term of 10 years on the same conditions.

On motion, the report of the treasurer was unanimously adopted and he was authorized to consummate the purchase.

On motion, adjourned.

Minutes of a special meeting of the board held at 117 Wall Street, New York, Friday, May 14, 1897, at 10 o'clock a. m.:

The attention of the board having been called to the vacancy caused in the board and in the office of vice president by the death of Mr. Theodore A. Havemeyer, the president declared that nominations were in order, and thereupon Mr. Dick nominated Mr. Chas. H. Senff for director. There being no other nominations, it was resolved that the election be by ballot. The president appointed Mr. Thomas teller. The ballot having been taken, Mr. Thomas reported that Mr. Senff was unanimously elected director.

Mr. Dick thereupon moved that Mr. Senff be elected first vice president and that he have all the powers appertaining to the position, including that of signing certificates of stock.

On motion of Mr. Dick, it was

Resolved, That the directors of the Franklin Sugar Refining Co. and of the Spreckels Sugar Refining Co. be requested to elect Mr. Senff as a director in those companies in place of Mr. Theodore A. Havemeyer, deceased, to elect Mr. H. O. Havemeyer as president of those companies, and that the secretary give notice to that effect to the directors of those companies.

Minutes of the regular meeting of the board of directors Wednesday, June 16, 1897, at 12.45 p. m.:

On the recommendation of the president it was voted at the end of the present month to reduce the New Orleans refinery to one-third, i. e., 600,000 pounds, and to close the Franklin and Continental houses.

An appropriation of \$100 to St. Mary's Hospital in Brooklyn was authorized.

The matter of contracts for beet sugars on the Pacific coast was referred with power to a committee consisting of the president, treasurer, and W. B. Thomas.

Minutes of the regular meeting of the board of directors, Wednesday, June 21, 1897 at 12.30:

The treasurer reported that the Western Sugar Refining Co. had concluded an arrangement with the Chino and Alvarado beet factories for the purchase of their sugars for the ensuing year.

On motion it was the sense of the board that the bounty provisions in the tariff bill now pending are inimical to the interests of the American Sugar Refining industry and it was recommended that a protest be immediately made against the passage of the bill in its present form.

Minutes of the regular meeting of the board of directors, Wednesday, November 17, 1897, at 12.15 p. m.:

The treasurer reported the sale of the East Boston refinery property for \$86,562, subject to the removal of the machinery.

Minutes of the regular meeting of the board of directors held at 117 Wall Street Wednesday, December 15, 1897, at 12.15 p. m.:

On motion, the usual circular respecting the annual meeting was ordered to be sent out by the secretary with the names of John E. Searles, D. B. Ogden, and J. C. Rogers, as proxy committee, with circular recommending the reelection of Messrs Senff and Thomas.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co. held at the office of the company in Jersey City, N. J., at 12 o'clock noon, January 12, 1898.:

The meeting was called to order by the president, and, on motion, Mr. John E. Searles was elected secretary.

The president presented his annual statement concerning the business of the company, as follows:

To the stockholders of the American Sugar Refining Co.

GENTLEMEN: The officers of the company and its board of directors have been much gratified that down to the present time their action has, either in direct terms or by acquiescence, been unanimously approved by the stockholders. There has never, so far as I recall, been a complaint at a stockholders' meeting about the action of the board or of the officers. The directors are the servants of the company. Their effort is to conduct the business in the interest of the stockholders. They have been guided by the principle that all stockholders should be treated alike, and that it should be left to the body of stockholders at the annual meetings to express approval or the reverse. If, therefore, the stockholders have been satisfied with the action of the directors during the past year, it is the hope of the board that they will say so; if they have been dissatisfied, that they would indicate in what respect, to the end that the board may have the opportunity of making any suitable explanation.

The tariff changes during the year have required unusual attention to the conduct of the business. The existing tariff requires a large additional capital. It is necessary that the company shall keep on hand a large stock, both of raw and of refined sugars. This represents the duty added to the cost.

A sufficient time has not yet elapsed to determine exactly the effect to be produced upon the business by the tariff changes.

Dividends have been declared at the usual rate. Under the authority given to the board at the last annual meeting, which in that regard amended the by-laws, the directors have, by fixing the dividend rate, prescribed that the residue of earnings

shall remain as working capital. They hope that this action will be confirmed by the stockholders.

It becomes the duty of the stockholders at this time to fill the vacancies caused by the expiration of the term of office of Mr. Thomas and the death of my brother. The directors recommend for reelection Mr. Thomas and Mr. Senff.

On motion, the meeting proceeded to the election of directors for three years, to take the place of T. A. Havemeyer, deceased, and W. B. Thomas, whose term expires.

Messrs. J. Offerman, J. F. Sorzano, and J. Jackson were appointed inspectors of election.

The polls were declared open at 12.25 p. m., and the balloting proceeded.

The following resolutions were read and unanimously adopted:

Resolved, That the action of the directors at a meeting held January 11, 1898, which reads as follows:

"Resolved, That the accumulated profits of the company, less the dividends which have been declared up to this time, to and including the dividend of January 3, 1898, be reserved as working capital"—

be and the same hereby is approved and confirmed by the stockholders.

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its affairs and their action generally down to this time.

Resolved, That it is the judgment of the stockholders that information about the company's affairs which in the hands of enemies or competitors can be used to the company's disadvantage should not be given; that the directors abstain from giving information except in cases where in their judgment it is in the interest of the company to furnish it, and

Resolved further, That if such information is to be given, it should be at the request of the stockholders at large and not of individual stockholders.

At 1 p. m., the president being obliged to leave, Mr. William Dick was appointed chairman.

At 1.25 p. m. the chairman declared the polls closed, and the inspectors made the following report:

This is to certify that at the annual meeting of the American Sugar Refining Co., held at Jersey City, N. J., this day, 475,666 votes were cast for the election of W. B. Thomas and Charles H. Senff, each for the term of three years.

J. JACKSON,
JULIO SORZANO,
JOHN OFFERMAN,
Inspectors of Election.

On motion, adjourned.

JNO. E. SEARLES, *Secretary.*

At the directors' meeting, held at the close of the stockholders' meeting, an adjournment was had to 117 Wall Street, New York, at 3 p. m.

JNO. E. SEARLES, *Secretary.*

Minutes of an adjourned meeting of the board of directors held at 117 Wall Street, New York, at 3 p. m. January 12, 1898:

On motion the meeting proceeded to ballot for officers for the ensuing year, and the following were unanimously elected: H. O. Havemeyer, president; Charles H. Senff, vice president; John E. Searles, secretary and treasurer.

On motion, the following were appointed an executive committee, viz: H. O. Havemeyer, F. O. Matthiessen, Charles H. Senff, W. B. Thomas, John E. Searles.

On motion, adjourned.

Minutes of a special meeting of the board, Tuesday, September 6, 1898, at 12.15 p. m.:

On motion, a special committee consisting of the president, vice president, and Mr. Thomas were appointed to fix the price of refined sugars.

They were authorized in their discretion to make the price of granulated not less than three-eighths above the price of centrifugals of 96° test, other refined sugars to correspond.

They were authorized and empowered to purchase for account of the company the whole or any portion of outside refineries at a price and upon terms to be fixed by them in their discretion.

Minutes of a special meeting of the board of directors, Wednesday, October 5, 1898, at 12.30 p. m.:

On motion, Mr. F. O. Matthiessen was authorized to vote the stock of the Baltimore Sugar Refining Co. at the meeting of that company to be held October 11, 1898, in favor of the following directors.

Minutes of adjourned meeting of the board of directors held at 117 Wall Street Wednesday, December 14, at 12 m. Present: H. O. Havemeyer, W. B. Thomas, John Mayer, and Charles H. Senff.

C. H. Senff acted as secretary.

The president reported the purchase of 25,000 tons Java sugar, June, July, August shipment, at 11¹/₉.

On motion of Mr. Thomas, the president was authorized to contract for the enlargement of the Louisiana refinery to a capacity of 2,000,000 pounds daily.

The president was authorized to contract for the sale of the spent bone black and purchase of new bone black for the Louisiana refinery.

On motion it was resolved not to subscribe to the stock of the Beet Sugar Co., to be established at Dunkirk, N. Y.

On motion, the minutes of the last meeting were read and approved.

On motion, the following circular and stockholders' proxy respecting the annual meeting was ordered to be sent out with the names of Washington B. Thomas, David B. Ogden, and Charles H. Senff as proxy committee:

[Circular.]

NEW YORK, *December 15, 1898.*

The annual meeting of the stockholders of the American Sugar Refining Co. will be held at the office of the company, corner of Washington and Essex Streets, Jersey City, on Wednesday, January 11, 1899, at 12 o'clock, for the transaction of such business as shall come before the meeting and for the election of two directors to fill the vacancies which will then occur by the expiration of the term of office of Messrs. John E. Parsons and John E. Searles.

It is very desirable that the largest possible number of stockholders be represented; hence, if you are unable to be personally present you are requested to execute and return the within proxy, which, unless otherwise directed, will be voted for the election of John E. Parsons and Lowell M. Palmer, the same being recommended by a unanimous vote of a meeting of the board.

H. O. HAVEMEYER, *President.*

[Stockholders proxy.]

Shares preferred _____
Shares common _____

Know all men by these presents, that I, _____, do hereby constitute and appoint Washington B. Thomas, David B. Ogden, and Charles H. Senff, or either two of them, attorneys and agents for me and in my name, place, and stead, to vote as my proxy at the next annual meeting and at any adjournment or adjournments thereof, of the stockholders of the American Sugar Refining Co., upon any question which may be brought before such meeting, including the election of directors according to the number of votes I should be entitled to vote if then personally present, with full power of substitution.

In witness whereof, I have hereunto set my hand and seal this _____ day of _____, 1898. Sealed and delivered in presence of _____. [SEAL.]

On motion the meeting adjourned subject to the call of the chair.

CHARLES H. SENFF, *Acting Secretary.*

Minutes of a special meeting of the board, Friday, December 16, 1898, at 12 m.:

Present: H. O. Havemeyer, W. B. Thomas, John Mayer, and Charles H. Senff.

C. H. Senff acted as secretary.

Minutes of preceding meeting read and approved.

On motion a committee consisting of the president and John E. Parsons was appointed to revise the by-laws.

It being stated by the president that his attention had been called to the possibility that Mr. David B. Ogden might not be able to attend the annual meeting, and further that at the meeting it would be necessary to elect a director in place of Mr. Mayer, who was elected, in place of Mr. Dick, resigned, to hold for the rest of the year, it was unanimously resolved that the resolution for a circular and proxy adopted at the last meeting be and the same is reconsidered.

Resolved, That the circular and proxy be in form as follows instead of the foregoing:

THE AMERICAN SUGAR REFINING Co.,
P. O. Box 722, New York, December 15, 1898.

The annual meeting of the stockholders of the the American Sugar Refining Co. will be held at the office of the company, corner of Washington and Essex Streets, Jersey City, N. J., on Wednesday, January 11, 1899, at 12 o'clock, for the transaction of such business as shall come before the meeting and for the election of three directors, two to fill the vacancies which will then occur by the expiration of the term of office of Messrs. John E. Parsons and John E. Searles, and one for the unexpired term of William Dick, resigned. The vacancy caused by his resignation was filled to the end of the year by the directors by the appointment of Mr. John Mayer.

It is very desirable that the largest possible number of stockholders be represented; hence, if you are unable to be personally present you are requested to execute and return the within proxy which, unless otherwise directed, will be voted for the election of John E. Parsons, John Mayer, and Lowell M. Palmer, the same being recommended by the unanimous vote of a meeting of the board.

Yours respectfully,

H. O. HAVEMEYER, *President*.

Attach stamp here]

[Stockholders proxy.]

Shares preferred _____
Shares common _____

Know all men by these presents, that I, _____, do hereby constitute and appoint Washington B. Thomas, Henry B. Closson, and Charles H. Senff, or either two of them, attorneys and agents for me and in my name, place, and stead to vote as my proxy at the next annual meeting, and, at any adjournment or adjournments thereof, of the stockholders of the American Sugar Refining Co., upon any question which may be brought before such meeting, including the election of directors, according to the number of votes I should be entitled to vote if then personally present with full power of substitution.

In witness whereof I have hereunto set my hand and seal this _____ day of _____, 189—.

_____. [SEAL.]

Sealed and delivered in the presence of _____.

On motion the meeting adjourned subject to the call of the chair.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co. held at the office of the company, in Jersey City, N. J., on Wednesday, January 11, 1899, at 12 o'clock noon, pursuant to call:

The meeting was called to order by President H. O. Havemeyer, and on motion C. R. Heike was appointed secretary.

The president presented his annual statement, concerning the business of the company, as follows:

"The changed and varying conditions of the business since the last stockholders' meeting has required a change of policy, which after full deliberation of the board of directors of the company has resulted in a policy that meets with their unanimous judgment and approval. I can assure the stockholders that the board and its officers are doing all in their power to meet the varying conditions. It is most suitable that the stockholders should understand that the policy pursued under these changed conditions is in accordance with the unanimous judgment and approval of the board of directors of the company. It is always the hope of the directors that the annual meeting may be attended by stockholders in person. While it is gratifying that stockholders shall show confidence in the board, none the less would it be more agreeable if the stockholders would not absent themselves from attending meetings."

On motion the meeting proceeded to the election of three directors, two in place of John E. Parsons and John E. Searles to serve for three years, and one in place of John Mayer to serve for one year.

Messrs. Julio F. Sorzano and Henry R. Reed were appointed inspectors of election.

The polls were declared open at 12.10 p. m. and the balloting proceeded.

The following resolutions were read and unanimously adopted.

Resolved, That the by-laws in form, revised, consolidated, amended, and enlarged, as adopted by the directors by resolution passed at a meeting held on January 5, 1899, be and the same hereby are made the by-laws in substitution for the by-laws previously existing, and the action of the directors in adopting such by-laws be, and the same hereby is, ratified and confirmed.

Resolved, That the action of the directors at a meeting held January 10, 1899, which reads as follows:

Resolved, That the accumulated profits less the dividends which have been declared up to this time, and including the dividend of January 3, 1899, be reserved as working capital,

be and the same is approved and confirmed by the stockholders.

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its affairs and their action generally down to this time."

At 1.10 p. m. the president declared the polls closed, and the inspectors made the following report:

JERSEY CITY, N. J., *January 11, 1899.*

This is to certify that at the annual meeting of the American Sugar Refining Company, held this day, the following number of shares were voted: 278,196 shares, preferred; 305,103 shares, common—583,299 shares (total) for the election of John E. Parsons and Lowell M. Palmer to serve as directors for three years and John Mayer for one year.

JULIO F. SORZANO,
HENRY R. REED,
Inspectors of Election.

Stockholders: 6,292 by proxy, 582,554 shares; 6 in person, 445 shares.

10 cents in revenue stamp attached.

On motion the meeting adjourned.

Minutes of adjourned meeting of the board of directors, held at 117 Wall Street, New York, on January 11, 1899, at 2.15 p. m.:

On motion it was—

Resolved, That Herbert D. Parsons be, and he hereby is, appointed assistant to the counsel of the company at an annual salary of \$5,000.

The regular monthly meeting of the board of directors, held at 117 Wall Street on February 8, 1899, at 12.15 p. m.

On motion the following resolution was adopted:

Resolved, That W. B. Thomas be, and he hereby is, authorized to act for and in behalf of the American Sugar Refining Co. in the making of such agreements with the New York, New Haven & Hartford Railroad Co. as may be deemed necessary in the matter of the use of the said railroad company's tracks by the American Sugar Refining Co."

Mr. W. B. Thomas offered his resignation as treasurer of the company, which was accepted, and on motion Mr. Arthur Donner was appointed in his place.

The regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Wednesday, May 10, 1899, at 12.30 p. m.

On motion the president was authorized to buy a controlling interest of the stock of the "Almacenos de Haciendados" for \$250,000.

The meeting then adjourned.

Meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Wednesday, June 7, 1899, at 12.15 p. m.:

The president reported that he had purchased a controlling interest of the stock of the "Almacenos de Haciendados" at Habana.

On motion the president was authorized, at his discretion, to cut down the operations and meltings of the Louisiana Refinery as to time as well as quantity.

Special meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, January 9, 1900, at 3 p. m.:

The following resolution was then adopted:

Resolved, By the board of directors of the American Sugar Refining Co., a corporation organized and existing under the laws of the State of New Jersey, and a stockholder owning stock of the Spreckels Sugar Co., a corporation organized and existing under the laws of the State of California, that W. H. Hannam, of the city and county of San Francisco, State of California, be, and he hereby is, appointed as the proxy of the American Sugar Refining Co., to vote for it, and in its name, place, and stead, on all shares of stock owned by the American Sugar Refining Co. in said Spreckels Sugar Co., at all meetings of the stockholders of said Spreckels Sugar Co., on all matters which may come before any such meeting; and that a copy of this resolution certified to by the Secretary, be filed with the secretary of the Spreckels Sugar Co., and the authority conferred shall remain in force until further orders of the board of directors of this company."

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co. held at the office of the company in Jersey City, N. J., on Wednesday, January 10, 1900, at 12 o'clock noon, pursuant to call:

The meeting was called to order by President H. O. Havemeyer, and on motion C. R. Heike was appointed secretary.

The president presented his annual statement concerning the business of the company, as follows:

"In September, 1898, as you know, your board of directors determined upon a change of policy in view of circumstances then existing, which led to a reduction in the prices of our product, and necessarily to a diminution of our profits, very wisely, as I think, at our annual meeting in January, 1899, unanimously, you approved of this change of policy. The circumstances which then existed have continued, and still exist, and your board of directors has ever since maintained and, unless instructed by you to the contrary, will probably continue to pursue this policy by them initiated and by you unanimously indorsed. I can not, of course, say what your directors will do in the matter of declaration of dividends in the future. Such declaration can be made by them alone and will be made under the situation which will then exist. I am very sure, however, that when the duty of determining the amount of dividend is imposed upon them they will take into careful consideration the fact of the reduction of profits which has resulted from the policy which has been pursued.

"I do not believe you would desire them to declare any dividend which would weaken the financial strength of the company or would render it less able in the future than it always has been in the past to look ahead without fearing the results of any policy which may be deemed advantageous. Speaking for myself, I say, with as much force of statement as is possible, that I would oppose any such declaration of dividends."

On motion the meeting proceeded to the election of three directors in place of H. O. Havemeyer, John Mayer, and Arthur Donner to serve for three years.

Messrs. Henry R. Reed and Julio F. Sorzano were appointed inspectors of election.

The polls were declared open at 12.07 p. m., and the balloting proceeded.

The following resolutions were read and unanimously adopted:

Resolved, That the action of the directors at a meeting held January 9, 1900, which reads as follows: "*Resolved*, That the accumulated profits less the dividends which have been declared up to this time, including the dividend of January 2, 1900, be reserved as working capital, less such amount as the directors shall see fit from time to time to declare as dividends," be and the same is approved and confirmed by the stockholders.

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers, and their action generally down to this time.

Resolved, That E. W. Gerbracht, H. C. Mott and C. R. Heike be and they hereby are, selected as a committee of three stockholders not directors, to employ an auditor to make under oath the written statement required by section 1, chapter 492 of the laws of 1897 of the State of Massachusetts.

The following preamble and resolution was then presented to the meeting and unanimously adopted:

Whereas the American Sugar Refining Co. by instrument dated January , 1891, and recorded in the register's office of Kings County in Liber 2291 of Mortgages, page 469, on January 12, 1891, and elsewhere, did mortgage eight different subdivisions of property each consisting of the several tracts described as forming parts of such parcels,

to the Central Trust Co. of New York, to secure 10,000 bonds, each for \$1,000, all as will more fully appear in and by the said mortgage, which said mortgage contains the following provision:

"The trustee shall have full power in its discretion, upon the written request of the company, to convey by way of release or otherwise, to a party designated by the company any part of the mortgaged property, which shall be certified by the company under its seal, and the hand of its president shall not be necessary for the purposes of the company, which certificate shall be conclusive evidence to the trustee of the truth of the matters stated therein, and to make and deliver the necessary conveyances provided that the proceeds shall be paid to the trustee to be held by it for the security of the bondholders, with the right and power, however, to the trustee in its discretion to permit the proceeds to be used by the company for the purchase of other property to become subject to the lien of this mortgage. If the trustee shall so desire, such other property shall be made subject to the lien of this mortgage in such manner as it shall be advised by counsel;" and

Whereas, since the execution of said mortgage, there have been expended by the company upon certain of the said subdivisions, including the several tracts and parcels forming part of them, amounts much in excess of the value, of the residue of such mortgaged property; and

Whereas, all of such bonds belong to the company; and,

Whereas, it is inconvenient and unnecessary that there shall be paid to the said trust company as trustee the proceeds of any part of such residue of the said property as shall be sold whether heretofore or hereafter or to have the proceeds used for the purchase of other property; therefore be it

Resolved, (1) That the board of directors be and they hereby are authorized to make any arrangement and to authorize the execution of any and all instruments necessary to procure the release from the said mortgage of all such parts of the mortgaged premises, including any premises heretofore substituted for any part of the mortgaged premises as the board shall determine by resolution to be unnecessary for the security of the mortgage;

(2) That the board be and they hereby are furthermore authorized in their discretion to procure the said mortgage to be satisfied and the bonds to be surrendered for cancellation to the trustee and to be canceled, and in their further discretion to execute another mortgage of such of the said premises as they shall think suitable to secure 10,000 bonds, each of \$1,000, and to authorize the execution of all the necessary instruments and papers upon such terms and containing such provisions as they shall determine upon and as shall be approved by John E. Parsons, the counsel of the company.

(3) That the Central Trust Co. of New York, as such trustee, be requested and authorized to execute all instruments necessary to accomplish the purpose heretofore expressed upon the request of the board by resolution, and upon such request to pay and turn over to the company any proceeds in their hands of premises heretofore sold, and if desired to stamp the bonds with such certificate as the trust company may deem necessary and expedient.

(4) That in or about the continuation or satisfaction of the existing mortgage, making any changes in it, or in the bonds, making any substitution or any other mortgage, issuing new bonds, or changing the existing bonds full authority is conferred upon the board, the terms and conditions to be in their absolute discretion subject to the approval of John E. Parsons as counsel.

At 1.07 p. m. the president declared the polls closed and the inspectors made the following report:

JERSEY CITY, N. J., *January 10, 1900.*

This is to certify that at the annual meeting of the American Sugar Refining Co., held this day, the following number of shares were voted: 259,418 shares of preferred stock; 257,100 shares of common stock, a total of 516,518 shares for the election of H. O. Havemeyer, Arthur Donner, and John Mayer, to serve as directors for three years.

JULIO F. SORZANO,
HENRY R. REED,
Inspectors of Election.

Stockholders voting: 8 holding 4,335 shares in person and 5,405 holding 512,183 shares by proxy.

(10-cent revenue stamp attached.)

On motion the meeting then adjourned.

C. R. HEIKE, *Secretary.*

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, May 29, 1900, at 10 a.m.:

On motion it was

Resolved, That the treasurer be, and he hereby is, authorized to invest \$3,500,000 in the preferred stock at par of the National Sugar Refining Co. of New Jersey.

Resolved, further, That the treasurer be and he hereby is authorized to agree to take \$750,000 more of such preferred stock at par, deliverable in the future.

There being no further business the meeting adjourned.

JOHN E. PARSONS, *Secretary pro tem.*

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Meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday June 5, 1900, at 11.30 a.m.:

On motion it was

Resolved That the treasurer be, and he hereby is, authorized to sell the whole or any part of the National Sugar Refining Co.'s preferred stock now owned and hereafter to be acquired by this company, at not less than par, under the direction of H. O. Havemeyer and John E. Parsons as a committee.

On motion it was

Resolved, That C. R. Heike be and he hereby is authorized to assign and sell to B. H. Howell, Son & Co. the 3,000 shares of stock of the Mollenhauer Sugar Refining Co. owned by this company at \$300 per share and to accept in payment shares of the preferred stock of the National Sugar Refining Co. at par.

EXTRACTS FROM THE MINUTES OF THE BOARD OF DIRECTORS OF THE AMERICAN SUGAR REFINING CO., VOLUME II.

Adjourned meeting of the board of directors of the American Sugar Refining Co., held at the residence of Mr. H. O. Havemeyer at 1 East Sixty-sixth Street, New York, on Tuesday, December 4, 1900, at 12.15 p. m.

On motion it was—

Resolved, That the treasurer be, and he hereby is, authorized to invest \$490,000 in the preferred stock at par of the National Sugar Refining Co. of New Jersey, and that this investment is to be in addition to the investment in the same stock authorized at the meeting of May 29, 1900.

President H. O. Havemeyer called attention to the annual meeting of the stockholders of the company on January 9, 1901, and to the election to be held of two directors in place of Charles H. Senff and W. B. Thomas, whose term of office would then expire, and, on motion, the secretary was directed to mail to each stockholder the usual circular, inclosing a proxy and recommending the reelection of the gentlemen named.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co., held at the office of the company in Jersey City, N. J., on Wednesday, January 9, 1901, at 12 o'clock noon, pursuant to call.

The meeting was called to order by President H. O. Havemeyer, and C. R. Heike acted as secretary.

The president presented his annual statement concerning the business of the company, as follows:

"The directors ask that the stockholders will approve the action which has been taken by the directors up to this time

"It has been the wish of the directors from the beginning that at the annual meetings there should be a full representation of the stock; that if there was any dissatisfaction on the part of any of the stockholders, it should be shown by vote, and that if there were no such dissatisfaction, the stockholders would pass an appropriate resolution approving the action of the directors in the management of the company's business, and the conduct of its officers and their action generally.

"At and prior to the annual meeting of 1900, stockholders had an opportunity of acting upon the business policy which had been adopted by the directors. That policy had been carefully considered, was deliberately resolved upon, and the directors were gratified that it met with the approval of the stockholders.

"In a general way it may be stated that the policy has been to keep the company strong to meet any and every emergency which might arise. The directors thought that this was wise at the time. Subsequent events have confirmed their judgment.

"During the year it seemed opportune in selling to make an increase in the margin between raw and refined. This was done. In this action, and in all the action which has been taken by the directors, they have proceeded upon the belief that it was in the interest of the company, and of the business, to be satisfied with a moderate profit, keeping the plant in the best possible condition, and strengthening the company by the acquisition of appliances which are essential to the economical conduct of the business.

"The condition of the company is sound and strong.

"Unless objections shall be taken at this meeting, and more particularly if the action of the directors be approved, they will continue to pursue the policy upon the principles which have actuated them heretofore."

On motion, the meeting proceeded to the election of two directors in place of Charles H. Senff and Washington B. Thomas to serve for three years. Messrs. Henry R. Reed and W. Edward Foster were appointed inspectors of election and they took the following oath:

STATE OF NEW JERSEY, *County of Hudson*:

Henry R. Reed and W. Edward Foster, being severally sworn upon their respective oaths, do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of elections, and will to the best of thier skill and ability, conduct the election to be held this day for directors of The American Sugar Refining Co., and a true report make of the same.

(Signed) HENRY R. REED.
(Signed) W. EDWARD FOSTER.

Sworn and subscribed before me this 9th day of January, 1901.

[SEAL.]

(Signed) JOHN F. MURPHY,
Notary Public, Hudson County.

The polls were declared open at 12.05 p. m. and the balloting proceeded. There were present in person or by proxies, holders of 256,217 shares of preferred and 245,267 shares of common stock.

The following resolution offered by John E. Parsons was read, and, on motion, unanimously adopted:

"*Resolved*, That E. W. Gerbracht, H. C. Mott, and C. R. Heike be, and they hereby are, selected as a committee of three stockholders who are not directors to employ an auditor to make under oath the written statement required by section 1, chapter 492 of the laws of 1897 of the State of Massachusetts."

The following resolutions offered by A. H. Bultman were read and on motion unanimously adopted:

"*Resolved*, That the action of the directors at a meeting held January 8, 1901, which reads as follows:

"*Resolved*, That the accumulated profits less the dividends which have been declared up to this time, including the dividend of January 2, 1901, be reserved as working capital, less such amount as the directors shall see fit from time to time to declare as dividends."

"be, and the same hereby is, approved and confirmed by the stockholders.

"*Resolved*, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers and their action generally down to this time."

At 1.07 p. m. the president declared the polls closed, and the inspectors made the following report:

We, the subscribers, inspectors of elections, appointed by the stockholders of the American Sugar Refining Co., at their meeting held this 9th day of January, 1901, do report that having taken an oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

We report that 501,484 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

For directors.	Number of votes.	
	Preferred stock.	Common stock.
Charles H. Senff.....	256, 217	245, 267
Washington B. Thomas.....	256, 217	245, 267

All of which is respectfully submitted this 9th day of January, 1901.

(Signed) HENRY R. REED,
(Signed) W. EDWARD FOSTER,
Inspectors.

On motion, the meeting then adjourned.

Adjourned meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Wednesday, July 17, 1901, at 2 o'clock p. m.:

Present: H. O. Havemeyer, John E. Parsons, Charles H. Senff, Lowell M. Palmer, John Mayer, and Arthur Donner.

Resolved and declared, That it is advisable that from and after October 3, 1901, the capital stock of the company be increased \$15,000,000—that is to say, from \$75,000,000 to \$90,000,000—such increase to consist one half of preferred stock and the other half of common stock, the preferred stock to correspond in all respects with the existing preferred stock of the company; and the directors do hereby call a meeting of the stockholders, to be held at the company's office, in the city of Jersey City, on Wednesday, the 18th day of September, 1901, at 12 m., to take action upon the above resolution.

Resolved further, That if such increase of stock be authorized, it be issued at par for cash, payable one half on October 7, 1901, and the other half on November 7, 1901; that the right to subscribe for the preferred stock be given to the holders of record on the same day of common stock in the proportion in each case of one new share to each five shares of stock then held by them, respectively.

Resolved, further, That if any new stock should not be subscribed for by the stockholders or those to whom they shall transfer their rights, those who do subscribe shall have the right to take the stock which shall remain at par in the proportion of the amount of stock held by them to the total subscription, and without distinction between preferred and common stock.

Resolved, further, That certificates be issued for fractional shares for which stockholders shall subscribe, but that stock shall only be issued for such certificates in so far as they shall represent whole shares of stock.

On motion it was

Resolved, That all details be referred to the executive committee with power.

On motion, the meeting adjourned subject to the call of the chair.

(Signed) ARTHUR DONNER,
Acting Secretary.

To the stockholders of the American Sugar Refining Co.:

It is proposed to issue \$15,000,000 of new stock of the company, one-half common and one-half preferred, payable in cash at par, and to give the right to subscribe to the preferred stock to the holders of preferred, and to the common stock to the holders of common, in the proportion of their holdings, one share new for five shares old.

The board of directors have passed a resolution that such increase is advisable, and have directed that to take action about it, a meeting of the stockholders, common and preferred, be called for September 18, next, at 12 m., at the office of the company in Jersey City. To authorize the issue of the new stock requires that two-thirds in interest of each class of stockholders shall vote in favor of it.

It is the opinion of the board that this increase is in the interest of both classes of stockholders, and that the right to subscribe should be given as hereinbefore stated.

The company, at its organization, authorized an issue of \$10,000,000 mortgage bonds. It is proposed that these bonds and the mortgages shall be canceled.

The company has expended in the acquisition of property, for its business, permanent improvements, etc., the sum of over \$15,000,000.

This has benefitted both classes of stockholders, the preferred stock in the added security which it has given; and the common stock in the added value to the property of the company, and in increased facilities for the transaction of its business. The \$15,000,000 which the proposed increase will bring to the treasury of the company will be used for its business purposes. As capital, it will benefit preferred-stock holders in promoting the preferential value of their stock. That the common-stock holders are interested that the increase shall be made seems to the directors to be manifest. Increase of the business requires an increase of capital. The strength of the business consists in its freedom from mortgage debt and its entire pecuniary independence. The entire amount realized from the new stock will come into the treasury of the company and will be available for its business uses.

Herewith the directors inclose proxies, which, so far as given, will be voted for the proposed increase. While the directors desire that the stockholders shall act according to their own judgment, they feel justified in saying that in their opinion stockholders are interested that this action shall be taken.

Respectfully,

THE BOARD OF DIRECTORS.

Know all men by these presents, that I, the undersigned, being the owner of ——— shares of common stock and ——— shares of preferred stock of the American Sugar Refining Co., do hereby constitute and appoint Samuel Carr, David B. Ogden, and Arthur Donner, or any two of them, my true and lawful attorneys for me and in my name, place, and stead to vote upon the stock owned by me or standing in my name, as my proxy, at the special meeting of the stockholders of the said company, to be held at the office of the company in Jersey City, N. J., on the 18th day of September, 1901, or on such other day as the meeting may thereafter be held by adjournment or otherwise, according to the number of votes I am now or may then be entitled to cast; and if at such meeting two-thirds in interest of each class of the stockholders of the said company having voting powers shall vote in favor of the proposed increase of the capital stock of the company, from seventy-five million to ninety million dollars, such increase to consist one-half of preferred stock and one-half of common stock, the preferred stock to correspond in all respects with the existing preferred stock of the company, then to sign and deliver the written assent required by law to be filed in the office of the Secretary of State in case of such increase, hereby granting to such attorneys full power and authority to act for me and in my name in the premises as fully as I could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that my said attorneys or substitutes may do in my place and stead.

In witness whereof I have hereunto set my hand and seal, this — day of —, 1901.

In the presence of

SPECIAL STOCKHOLDERS MEETING SEPTEMBER 18, 1901.

Minutes of the special meeting of the stockholders of the American Sugar Refining Co. held at the office of the company in Jersey City, N. J., on Wednesday, September 18, 1901, at 12 o'clock noon, pursuant to call:

The meeting was called to order by Vice President Charles H. Senff, and C. R. Heike was appointed secretary. Mr. Senff addressed the meeting, as follows:

"In the absence of the president, it becomes my duty to preside at this meeting. The meeting has been called to take action upon a resolution of the board of directors of the company, that from and after October 3, 1901, the capital stock of the company be increased \$15,000,000, that is to say, from \$75,000,000 to \$90,000,000, such increase to consist one-half of preferred stock of the company and the other half of common stock, the preferred stock to correspond in all respects with the existing preferred stock of the company."

On motion, it was unanimously decided that the meeting proceed at once to vote upon the resolution to increase the capital stock. Mr. Senff nominated Henry C. Mott and W. Edward Foster, two of the stockholders present, to be inspectors to canvass the votes, and the nomination was confirmed by the meeting.

Messrs. Henry C. Mott and W. Edward Foster then took the following oath:

STATE OF NEW JERSEY, County of Hudson:

Henry C. Mott and W. Edward Foster, being severally sworn upon their respective oaths, do promise and swear that they will faithfully, honestly, and impartially per-

form the duties of inspectors of the votes to be cast at the meeting, to count them, and to make a true report of the result.

Sworn before John F. Murphy, notary public, county of Hudson.

The polls were declared open at 12.05 p. m., and the balloting proceeded.

On motion, it was resolved that the polls remain open for one hour. There were present in person, or by proxy, holders of 266,539 shares of preferred stock and 285,933 shares of common stock.

The following resolution was read and on motion unanimously adopted:

Resolved, That in consequence of the death of President McKinley, no business be transacted at this meeting except that which is required to make proceedings for the increase of the stock of the company legal, and that immediately upon the completion of those proceedings the meeting be adjourned.

Mr. Senff then made the following statement:

"In the circular calling for this meeting it was stated that 'The company at its organization authorized the issue of \$10,000,000 mortgage bonds. It is proposed that these bonds shall be canceled.' The board proposes to procure the cancelment of the bonds referred to and the release or discharge of the mortgage. The board thinks that it would be suitable for this meeting to authorize and direct this action if the proposed increase of stock is made. The board suggests that the following resolution be passed:

Resolved, That if the increase of stock be made action in respect of which is to be taken, at this meeting, \$10,000,000 of mortgage bonds of the company be canceled, and that the mortgage, or deed of trust to the Central Trust Co. securing the same, which bears the date of January 10, 1891, be satisfied, released, and discharged and that the board of directors be authorized and directed through the proper officers of the company to consummate this action."

On motion, this resolution was unanimously adopted.

Mr. Senff stated that the board has prepared a circular to be sent to the stockholders, if the increase of the capital stock be approved at the meeting. The secretary was directed to read the circular:

SEPTEMBER 18, 1901.

To the Stockholders of the American Sugar Refining Co.:

At a stockholders' meeting held to-day, by a vote of two-thirds in interest of each class of stockholders, it was resolved that from and after October 3, 1901, the capital stock of the company be increased \$15,000,000, that is to say, from \$75,000,000 to \$90,000,000, such increase to consist one-half of preferred stock and the other half of common stock, the preferred stock to correspond in all respects with the existing preferred stock of the company.

The board of directors had resolved that if the increase should be authorized, the stock should be issued at par, for cash, payable one-half on October 7, 1901, and the other half on November 7, 1901; that the right to subscribe for the preferred stock should be given to holders of record, on September 7, 1901, of preferred stock, and that the right to subscribe for common stock should be given to holders of record on the same day of common stock, in the proportion in each case of one new share to each five shares of stock then held by them, respectively. The new stock will share in dividends after October 2, 1901, the same as existing stock.

The board had also resolved that script certificates be issued for fractional shares for which stockholders shall subscribe, but that stock shall only be issued for such script certificates when and in so far as they shall represent full shares. Dividends upon such stock will only run from the time that such stock shall be issued. No dividends will be paid upon script.

In accordance with this action I herewith submit as follows:

1. Notice to be given by the stockholders to the company of their wish to subscribe for the stock to which they are respectively entitled, with their agreement to pay therefor as above; that is to say, one-half on or before October 7, 1901, and the other half on or before November 7, 1901.

It is desirable that these notices shall be returned as soon as possible. If not returned before October 7, 1901, the notice when returned must be accompanied by a check for one-half of the subscription. In other cases payment of one-half must be made on or before October 7, 1901. And in all cases the other half must be paid on or before November 7, 1901, payment in each case to be made at the office of the company, No. 117 Wall Street, city of New York. Receipts for installments as paid will be given, and they will be exchanged at the office of the company for certificates of stock when they are ready to be delivered, of which due notice will be given, unless the certificates are ready for delivery by November 7, 1901, in which case they will be delivered when the second installment is paid. Any stockholder who desires may pay the entire amount of his subscription at one time, if payment is made on or before October 7, 1901.

2. Form of assignment of the right to subscribe.

Where the assignment is made before notice of intention to subscribe, the assignee must make the same agreement for payment as is required of the stockholder. The assignment must be sent to the company's office on or before October 7, 1901.

In the circular of the company, calling for the stockholders' meeting, held this day, it was stated that it was proposed that \$10,000,000 bonds authorized by the company should be canceled. A resolution to that effect was adopted by the meeting.

Respectfully,

C. R. HEIKE, *Secretary*.

On motion the circular as read by the secretary and which is to be mailed to each stockholder was unanimously approved.

At 1.05 Mr. Senff declared the polls closed, and the inspectors made the following report:

The undersigned do hereby certify that at a meeting of the stockholders of the American Sugar Refining Co., held at its office, at the corner of Washington and Essex Streets, in the city of Jersey City, State of New Jersey, on September 18, 1901, that being the location of the principal office in the State of New Jersey of the company, and the name of the agent therein and in charge thereof upon whom process against the corporation may be served, being Henry E. Niese, they were duly appointed by the presiding officer in charge of the meeting, confirmed by the unanimous vote of the stockholders present in person or by proxy, to be judges or inspectors of the votes to be cast at such meeting.

That they were first duly sworn to faithfully perform their duty and to receive the votes, count them, and certify to the result.

We do accordingly report that at such meeting there were cast in person or by proxy the votes of the holders of 266,539 shares of preferred stock and of 285,933 shares of common stock. That all such votes were cast in favor of the increase of the capital stock of the company by \$15,000,000—that is to say, from \$75,000,000 to \$90,000,000, such increase to consist one-half of preferred stock and the other one-half of common stock, the preferred stock to correspond in all respects to existing preferred stock of the company.

In witness whereof we have hereunto set our hands this 18th day of September, 1901.

HENRY C. MOTT.

W. EDWARD FOSTER.

On motion the meeting adjourned.

C. R. HEIKE, *Secretary*.

The certificate filed in Trenton on October 3, 1901, was signed by holders of 285,633 shares of common and 265,787 shares of preferred stock.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, October 8, 1901, at 11.30 a. m.:

The following resolution was read and on motion unanimously adopted, viz:

"Whereas at a meeting of the stockholders of the company, held on September 18, 1901, this resolution was unanimously adopted:

"*Resolved*, That if the increase of stock be made, action in respect of which is to be taken at this meeting, the \$10,000,000 of mortgage bonds of the company be canceled, and that the mortgage or deed of trust to the Central Trust Co. securing the same, which bears date of January 10, 1891, be satisfied, released, and discharged, and that the board of directors be authorized and directed, through the proper officers of the company, to consummate this action."

"Whereas since that meeting the increase of stock, action in respect of which was to be taken at that meeting, has been made; therefore,

Be it resolved, By the board of directors, that the \$10,000,000 of mortgage bonds of the American Sugar Refining Co. be canceled; that the mortgage or deed of trust to the Central Trust Co., securing the same, which bears date of January 10, 1891, be satisfied, released, and discharged; that the Central Trust Co. be requested to satisfy, release, and discharge the mortgage or deed of trust, and to execute the necessary papers; and that the president of this company be authorized and directed to execute any papers which may be required to consummate the cancellation of the bonds and the satisfaction, release, and discharge of the mortgage or deed of trust, including the surrender of the bonds to the Central Trust Co. if so required.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, November 12, 1901, at 11.30 a. m.

On motion the following resolutions were unanimously adopted:

"Whereas it is proposed to incorporate under the laws of the State of New York, a company for the manufacture of refined sugar, and the business incidental thereto, with a capital of \$3,500,000.

"*Resolved*, That the company will sell to such new corporation all the real property of this company situated in the State of New York, meaning thereby its refineries, and all the machinery, fixtures, and other property, constituting part thereof, and used in connection therewith, and also the stock of bone black, coal, cooperage, filter bags, and sundry refinery and machine shop supplies, and receive therefor in full payment the capital stock of such new corporation.

"*Resolved, further*, That the president of this company be, and he hereby is, authorized to agree for the sale of the said property to the said new corporation, and to receive in payment therefor its capital stock; and if such agreement be made to consummate the same; and to execute such deed and other instruments, to be approved by the counsel of this company, as may be necessary to effectuate the transaction.

"*And resolved further*, That in the sale aforesaid there be included all leaseholds and leases of and in real estate and also buildings, fixtures, and improvements upon leasehold property, and all furniture, boilers, engines, and machinery in the State of New York."

On motion the meeting then adjourned.

Special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Thursday, November 14, 1901, at 12 o'clock noon.

Present: H. O. Havemeyer, Charles H. Senff, W. B. Thomas, and Arthur Donner.

The minutes of the previous meeting were read and approved.

On motion it was resolved that the company withdraw from the State of New York and that it discontinue to do business there.

On motion the secretary was authorized and directed to attend, on behalf of the company, the subscribers' and stockholders' meeting of the American Sugar Refining Co. of New York, and to vote the company's stock for the election of the following gentlemen as directors of the American Sugar Refining Co. of New York: H. O. Havemeyer, Charles H. Senff, W. B. Thomas, Arthur Donner, and Lowell M. Palmer.

Special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 3, 1901, at 11.30 a. m.

The secretary called attention to the annual meeting of the stockholders of the company on January 8, 1902, and to the election to be held of two directors in place of John E. Parsons and Lowell M. Palmer, whose term of office would then expire, and on motion the secretary was directed to mail to each stockholder the usual circular inclosing a proxy and recommending the reelection of the gentlemen named.

On motion the meeting adjourned.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 10, 1901, at 11.30 a. m.

The president was authorized to renew and extend for two years, from October 1, 1903, to October 1, 1905, the contracts with the Hawaiian planters, represented by Williams, Dimond & Co.

ANNUAL STOCKHOLDERS' MEETING JANUARY 8, 1902.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co. held at the office of the company in Jersey City, N. J., on Wednesday, January 8, 1902, at 12 o'clock noon, pursuant to call:

The meeting was called to order by President H. O. Havemeyer, and C. R. Heike acted as secretary.

The president presented his annual statement, concerning the business of the company, as follows:

"The stockholders know in a general way of the accomplishment of the plan to increase by \$15,000,000 the capital stock of the company.

The increase was authorized at a stockholders' meeting which was held on September 18 last. With the exception of cases where there was a want of authority to subscribe, and a limited number of exceptional cases, the new stock was promptly taken up by the stockholders.

The total amount of stock outstanding at the present time is, preferred, \$44,068,300; common, \$44,246,100.

The new stock shared in dividends commencing with the dividend declared as of January 2, 1902.

The stockholders has doubtless noticed the organization recently of a New York corporation to transact the New York business which was heretofore conducted by the company. For many years the legislation of New York was hostile to manufacturing enterprises. This was the situation when the company was organized, and led to its organization in New Jersey, in which State a considerable part of the company's business had been transacted. Latterly the policy of New York has changed. By its more recent legislation it has held out inducements to have manufacturing business done in New York done by New York corporations. The company has recognized and conformed to this so far as concerns the business of the New York refineries.

This has involved the transfer to Jersey City of the residue of the business that was heretofore carried on in New York.

It would seem that with an overflowing Federal Treasury there had disappeared any reason for continuing the existing high tariff upon raw sugar. It constitutes a charge upon consumption of nearly two cents a pound.

This represents on an annual consumption of 2,360,000 tons \$85,000,000 a year. Of this, however, only 1,360,000 tons are imported, yielding customs revenue of \$49,000,000. The balance of \$36,000,000 goes into the pockets of the planters of the following States as follows: Louisiana planters, 350,000 tons, \$12,600,000. Domestic beet, 150,000 tons, \$5,400,000. Hawaii, 350,000 tons, \$12,600,000. Porto Rico, 150,000 tons, \$5,400,000.

A removal of this duty on raw sugar would result in a saving to the consumer of \$85,000,000.

Misleading statements are constantly being made about the benefit to the company of reducing the present high rate of duty. The gain would be in increased sales. The lower the price at which refined sugar can be furnished, the larger is the number within whose reach it can be brought. To this extent there would be a gain to the company. But the substantial benefit from the remission or reduction of the duty would be to the consumer, and the practical question is whether the public shall continue to pay the enormous amount which the duty requires for the benefit of favored industries, which, according to published statements by those who are interested, do not require the protection.

Aside from the matters to which I have previously referred, the business of the company during the year has proceeded as usual.

On motion, the meeting proceeded to the election of two directors in place of John E. Parsons and Lowell M. Palmer, to serve for three years. Messrs. Henry R. Reed and W. Edward Foster were appointed inspectors of election, and they took the following oath:

STATE OF NEW JERSEY,
County of Hudson, ss:

Henry R. Reed and W. Edward Foster, being severally sworn, upon their respective oaths do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will to the best of their skill and ability conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

HENRY R. REED,
W. EDWARD FOSTER.

Sworn and subscribed before me this 8th day of January, 1902.

[SEAL.]

JOHN F. MURPHY,
Notary Public, Hudson County.

The polls were declared open at 12.13 p. m., and the balloting proceeded. There were present in person or by proxies holders of 285,447 shares of preferred stock and 267,308 shares of common stock.

At the request of several stockholders present, who wanted further information in regard to sugar, and the sugar industry, President H. O. Havemeyer made the following additional statement:

"Sugar is a necessity of life. Were the duty on raw sugar removed the price of refined would permit of its being used by the poorest people. The people are beginning to characterize the tax on sugar as a hunger tax. This no doubt is due to the fact that a surplus exists in the Treasury, and no reason for a tax on an article of food. The removal of the tax would be a great blessing to the entire community.

"As far as the beet industry is concerned, the farmers have received no more for their beets since the tax was reimposed than when sugar was free in the years 1891, 1892, and 1893.

"What Mr. Oxnard says is of little account. What Mr. William Bayard Cutting attaches his signature to is of account. He has stated over his signature that the beet industry is profitable under conditions of absolute free trade and that the United States being an agricultural country, the industry has nothing to fear even from the annexation of Cuba.

"During the years 1891, 1892, and 1893 sugar was made free by the Republican Party then in power. It was reimposed to meet financial necessity of the Government, being a sure revenue getter of \$50,000,000. An effort has since been made to tax coffee, likewise an article of food. This attempt was scouted and failed. The tax on tea is not for the purpose of revenue, but a means of protecting the poorer people from deleterious and poisonous cheap teas. There is no reason for the continuance of the tax on raw sugar and the hope is that it will be removed."

The following resolution offered by W. B. Thomas was read, and on motion unanimously adopted.

Resolved, That E. W. Gerbracht, H. C. Mott, and C. R. Heike be and they hereby are, selected as a committee of three stockholders who are not directors, to employ an auditor to make under oath the written statement required by section 1, chapter 492, of the Laws of 1897 of the State of Massachusetts.

The following resolutions offered by Henry R. Reed were read and on motion unanimously adopted:

Resolved, That the action of the directors, at a meeting held January 7, 1902, which reads as follows:

"*Resolved*, That the accumulated profits, less the dividends which have been declared up to this time, including the dividend of January 2, 1902, be reserved as working capital, less such amount as the directors shall see fit from time to time to declare as dividends," be, and the same hereby is, approved and confirmed by the stockholders.

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business, and the conduct of its officers and their action generally down to this time.

At 1.13 p. m. the president declared the polls closed, and the inspectors made the following report:

"We, the subscribers, inspectors of election, appointed by the stockholders of the American Sugar Refining Co., at their meeting held this 8th day of January, 1902, do report that having taken an oath impartially to conduct the election we individually received the votes of the stockholders by ballot.

"We report that 552,755 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit: Total number of votes, 552,755. For directors, John E. Parsons, 285,447 preferred stock; 267,308 common stock. Lowell M. Palmer, 285,447 preferred stock; 267,308 common stock.

"All of which is respectfully submitted this 8th day of January, 1902.

"HENRY R. REED,

"W. EDWARD FOSTER,

"Inspectors."

On motion the meeting adjourned.

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, February 4, 1902, at 11.30 a. m.:

On motion, the salary of President H. O. Havemeyer was increased to \$100,000 per annum from January 1, 1902, and that of W. B. Thomas to \$25,000 per annum from January 1, 1902.

The president stated that within the past few days it had come to his knowledge for the first time that Mr. L. M. Palmer had a personal interest in the property (real estate) at Poplar Bluff, which was furnishing the plant with material for its product, and on his motion a committee was appointed to look into the matter and all other

matters pertaining to said plants and report to the board. On motion, Messrs. W. B. Thomas, C. H. Senff, and Arthur Donner were appointed as this committee.

On motion, the meeting adjourned.

Special meeting of the board of directors of the American Sugar Refining Co., held at the residence of President H. O. Havemeyer, No. 1 East Sixty-sixth Street, New York, on Tuesday, March 4, 1902, at 10.15 a. m.:

On motion, a committee was appointed, consisting of Messrs. Senff, Thomas, and Palmer, to consider the advisability of acquiring the common stock of the National Sugar Refining Co. of New Jersey. The wording of the resolution passed in regard to this matter is as follows:

Whereas we deem it important to consider the propriety of acquiring the shares of common stock of the National Sugar Refining Co. of New Jersey; and

Whereas the fact that the president of the company, Mr. H. O. Havemeyer, is the owner of a large number of shares of said common stock, makes it important that the question should be specially considered independently:

Resolved, That Messrs. Charles H. Senff, W. B. Thomas, and Lowell M. Palmer shall act as a special committee for the purpose of investigating the value of said common shares and the question of whether or not the acquisition of the same will be desirable, and if so, upon what terms it will be advantageous to this company to acquire the same.

On motion the meeting adjourned.

Regular meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, April 8, 1902, at 11.30 a. m.:

The president reported progress in the negotiations for an interest in the beet sugar properties at Lansing City, Saginaw, McCoombs, and at Carrolton in Michigan.

The matter of purchasing an interest in the American Beet Sugar Co. for the American Sugar Refining Co. was referred to Messrs. Havemeyer, Thomas, and Palmer, with power.

On motion the following resolutions were adopted:

Whereas, the special committee have reported in favor of acquiring the land about Poplar Bluff, be it

Resolved, That the American Sugar Refining Co. execute an agreement with Mr. Lowell M. Palmer as follows: "The American Sugar Refining Co. agrees to buy, and Lowell M. Palmer and his associates agree to sell, the following: About 83,000 acres of land in Butler County, Mo., now standing in the name of N. M. Miller, trustee, at the price of \$5 per acre, the American Sugar Co. assuming the contract with the Oil Well Supply Co. of Pittsburg, a corporation organized under the laws of the State of Pennsylvania, and a contract with the Garretson & Gleason Lumber Co., a corporation organized under the laws of the State of Missouri, and any claim which Mr. Williams may be able to prove that he has against the company; also, about 10,000 acres of land in the State of Arkansas, at \$2 per acre; the whole less \$78,000 in cash, which is the amount received by Lowell M. Palmer for the sale of timber removed from the land."

Resolved, further, That this agreement be referred to Mr. John E. Parsons, the counsel of the company to carry it out.

On motion it was

Resolved, That the Poplar Bluff plant be rebuilt at once and at a cost not to exceed \$225,000, which amount includes the collectible insurance.

On motion the meeting adjourned to April 15, 1902, at 11 a. m.

Special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on June 3, 1902, at 11.30 a. m.:

The president reported the conclusion of the purchase of one-half of the stock of the Greeley Sugar Co. at \$125 per share, which was approved. (The total capital stock of the company is \$600,000, consisting in 600,000 shares of \$100 each.)

On motion the president was authorized to exchange \$100,000 of the stock of the Bay City Sugar Co., owned by the American Sugar Refining Co., for \$50,000 of Alma stock, and \$50,000 of Caro stock owned by him; interest to be adjusted at the rate of 6 per cent per annum.

On motion it was decided that of the \$200,000 of the Sanilac stock bought by Mr. Havemeyer, the company acquire \$50,000.

The president reported that, in accordance with his authority, he had bought for the company one-half of the Saginaw plant for \$150,000, and one-half of the Valley plant for \$150,000, which was approved. (The capital of each company is \$300,000, and each company is bonded for a similar amount.)

On motion the following resolutions were unanimously adopted:

Whereas, we deem it advantageous to this company to invest a portion of its funds in the development of the beet industry, but do not at present think it advisable thus to invest its funds unless in participation with others,

Resolved, That the president be directed to take such steps as may be necessary to secure a participation with this company by others, including the directors of this company, and persons entirely independent of the company, in the organization of companies having for their purpose the development of the beet industry;

Resolved, That before any actual investment of the funds of the company be made in any such company to be organized the question of such investment shall be submitted to the board for its final action.

On motion the president was authorized to purchase from Charles Boettcher one-half of the capital stock of the Great Western Beet Sugar Co. of Colorado (the capital of which is \$1,000,000, consisting of 10,000 shares of \$100 each), as follows: 2,950 shares at \$125, and 2,050 shares at \$150; also one-half interest in the Great Western Railway Co. of Colorado, the capital of which is \$200,000.

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, June 10, 1902, at 2.30 o'clock p. m.:

On motion the president was authorized to invite outside interests to take one-half of the existing interest of the company in beet-sugar properties, and also to participate in new developments.

On motion the meeting adjourned.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, November 11, 1902, at 11.30 a. m.:

The president reported on a proposition received from the Utah Sugar Co. for the formation of a new company which is to acquire the property of the Utah Sugar Co., and on motion the matter was left to the discretion of the board of directors of the Utah Sugar Co., and the election of the board of directors of the new company was likewise left to their discretion.

Special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 2, 1902, at 11.30 a. m.:

On motion the following resolution was adopted:

Whereas the same conditions existing and considerations controlling as determined the board in declining in participating in the organization of the National Sugar Refining Co. of New Jersey, consolidating the National, New York and Yonkers Refining companies.

Resolved, That negotiations for acquiring interest in the common stock of the National Sugar Refining Co. be discontinued, and that the special committee be discharged from further consideration thereof.

The president was authorized to subscribe up to one-half of the stock of the beet sugar factories to be built at Owosso, and at Menominee, Mich.

Mr. Donner was asked to join Mr. H. O. Havemeyer in making negotiations with the American Beet Sugar Co.

On motion Messrs. Havemeyer, Thomas, Palmer, and Donner were appointed a committee to take charge of the purchase and the management of beet sugar companies.

The secretary called attention to the annual meeting of the stockholders of the company on January 14, 1903, and to the election to be held of three directors in place of H. O. Havemeyer, John Mayer, and Arthur Donner, whose term of office would then expire: and on motion the secretary was directed to mail to each stockholder the usual circular, enclosing a proxy, and recommending the reelection of the gentlemen named.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 9, 1902, at 11.15 a. m.:

The president reported that he had made a further subscription to the stock of the beet-sugar factory at Windsor, Colo., of \$100,000, which was approved.

The president reported that he had given his personal bond to the Longmont people of \$50,000, guaranteeing the building of a sugar factory in Longmont, in 1903, and on motion the following resolution was adopted:

Whereas, at the request of and for account of the company, Mr. H. O. Havemeyer has joined in a bond of indemnity to the American Bonding Co. of Baltimore:

Resolved, That to protect Mr. Havemeyer there be given to him the guaranty of the company, to be executed by the treasurer and sealed with the company's corporate seal, in a form to be approved by the counsel for the company.

On motion the meeting adjourned subject to the call of the chair.

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 16, 1902, at 11 o'clock a. m.:

The president reported that he had purchased 100 shares of the capital stock of the State National Bank of New Orleans for \$23,500, which was approved.

The president reported on a proposition by Mr. William Adler, the president of the First National Bank of New Orleans, made in his letter dated December 10, in reference to a consolidation of New Orleans banks, and on motion the board declined to take any interest in the enterprise.

A proposed contract with Messrs. Spencer Trask & Co. for the purchase of 75,000 shares of the common stock of the American Beet Sugar Co. was presented, and after discussion it was—

Resolved, That the president of the company on its behalf be, and he hereby is, authorized and directed to execute the contract and to make such arrangement for its delivery, both as to time and circumstances, as to him shall seem best in his discretion.

A proposal from the American Beet Sugar Co. for an agency arrangement with that company was presented, and after discussion it was—

Resolved, That the president of the company on its behalf be, and he hereby is, authorized and directed to accept such proposal, and to make such arrangement for the delivery of the papers, both as to time and circumstances, as to him shall seem best in his discretion.

ANNUAL STOCKHOLDERS' MEETING, JANUARY 14, 1903.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co. held at the office of the company in Jersey City, N. J., on Wednesday, January 14, at 12 o'clock noon, pursuant to call:

The meeting was called to order by President H. O. Havemeyer, and C. R. Heike acted as secretary.

The president presented his annual statement, concerning the business of the company, as follows:

"The president is able to report to the stockholders that during the past year business conditions relating both to the purchase of raw and the sale of refined have been reasonably satisfactory. The average price at which refined has been sold is 4.55 cents a pound. This includes 1.81 cents a pound, which goes to the Government. It thus appears that the net price has been reduced to 2.74 cents a pound as against a net price, which in 1887 at the time of the formation of the Sugar Refineries Co. was 3.50 cents.

"I refer to the matter particularly at this time, because of proposed legislation, the professed object of which is to regulate business done by corporations as against that which is done by individuals. Any such legislation overlooks the fact that a corporation is an aggregation of individuals. We have 11,274 stockholders. Every stockholder is interested in the conduct of the business, and the business is done at an economy which would be impossible if stockholders were to attempt to carry it on individually on their own account.

"The low price leads to increased consumption and enables the business to be done at the lowest possible margin. The natural increase of consumption year by year may be stated to be 4.75 per cent. During the last year the increase was 8.17 per cent.

This must be attributed to the reduction in price brought about by the combination. It is only by keeping the price down that competition can be met. And if our legislators would inform themselves of the situation they would learn that in our industry there is no such thing as preventing competition and the building of new refineries.

"The above makes it impossible to understand what reasonable motive there can be for much of the so-called antitrust legislation. The consumer is certainly benefited by a low price. Interference with the operation of natural laws leads to an increase of price, and although this may not benefit the manufacturer, it certainly can not help the consumer. Apparently it is solicitude for stockholders to which is due the proposed legislation. Our stockholders have heretofore shown confidence in the management in a way which can not but afford gratification. They continue to do so. There is no law which compels them—and the same is true of all corporations—to buy or to retain stock. It would seem that it would be time enough to interfere in their interest when stockholders make the request.

"Our company has heretofore given such information to stockholders as they as a body have asked for. It has conformed to the action heretofore taken at annual meetings that special information shall not be given to individual stockholders. This recognizes that business which is to be done by corporations in competition with individuals can not satisfactorily be done if the individual may withhold all information about his business and the corporation shall be compelled to make public information about its business. Unless instructed otherwise the company will adhere to the policy which it has heretofore pursued of doing business at a minimum of margin, relying for its profits upon enlarged consumption.

"It is a curious commentary upon much of the proposed legislation that while its avowed object is to relieve, its effect is to put restraints upon trade, this being directly the reverse of the action of our great commercial rival, England, which in recent years has been forced, both in the interest of producer and consumer, to wipe from its statute books legislation which for centuries it had been the policy of England to encourage upon the idea that it prevented restraint of trade.

"It is not my purpose to criticize or to comment upon the various plans which are under consideration to hurt corporate business. What I say is intended for our own stockholders. It is due to them that the business of the company shall be carried on so far as it fairly and reasonably can be, in their interest, and this course the directors propose to pursue, conforming always, of course, to whatever shall become the law of the land.

"The dividends for the past year have been continued at the 7 per cent rate, any surplus of earnings being reserved as working capital for the needs of the business. The stockholders have heretofore approved this, and they are asked at this time to confirm the action to that effect which has been taken by the directors."

On motion the meeting proceeded to the election of three directors in place of H. O. Havemeyer, John Mayer, and Arthur Donner, to serve for three years. Messrs. Benjamin M. Jones and W. Edward Foster were appointed inspectors of election, and they took the following oath:

STATE OF NEW JERSEY,

County of Hudson, ss:

Benjamin M. Jones and W. Edward Foster being severally sworn upon their respective oaths, do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will to the best of their skill and ability conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

BENJAMIN M. JONES.
W. EDWARD FOSTER.

Sworn and subscribed before me this 14th day of January, 1903.

JOHN F. MURPHY,
Notary Public, Hudson County.

The polls were declared open at 12.10 p. m., and the balloting proceeded. There were present in person or by proxy holders of 292,577 shares of preferred stock and 336,889 shares of common stock.

In answer to inquiry, President Havemeyer stated:

"I have nothing to add to my statement to the stockholders unless it be to commend to their attention the observations of Gov. Murphy of this State, on the subject of corporations, published in the morning papers—I read it in the Sun—and contrast them and their relations to the community, with the efforts of public officials high in authority in Washington, who pander to an erroneous public view on the same subject. He advises us not to be disturbed by the clamor of the demagogue."

The following resolution offered by Henry R. Reed was read, and on motion unanimously adopted:

Resolved, That the action of the directors at the meeting held January 13, 1903, which reads as follows:

"*Resolved*, That the accumulated profits, less dividends which have been declared up to this time, including the dividend of January 2, 1903, be reserved as working capital, less such amount as the directors shall see fit from time to time to declare as dividends," be, and the same hereby is, approved and confirmed by the stockholders.

The following resolution, offered by Benjamin M. Jones, was read, and on motion unanimously adopted:

Resolved, That E. W. Gerbracht, H. C. Mott, and C. R. Heike be and they hereby are selected as a committee of three stockholders, who are not directors, to employ an auditor to make under oath the written statement required by section 52, chapter 110, of the Revised Laws of the State of Massachusetts.

The secretary reported that the committee of three stockholders, not directors, appointed at the last annual meeting to employ an auditor to make under oath the statement required by the laws of Massachusetts, had employed such an auditor, and that he had under oath made a written certificate as required by the laws of Massachusetts, approving the condition of affairs of the company as disclosed by its books. The Massachusetts statement was presented.

The following resolution, offered by Henry R. Reed, was read, and on motion unanimously adopted:

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers, and their action generally, down to this time.

At 1.10 p. m. the president declared the polls closed, and the inspectors made the following report:

We, the subscribers, inspectors of elections, appointed by the stockholders of the American Sugar Refining Co., at their meeting held this 14th day of January, 1903, do report that having taken an oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

We report that 629,466 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

For directors, H. O. Havemeyer, Arthur Donner, John Mayer. Number of votes: Preferred stock, 292,577; common stock, 336,889.

All of which is respectfully submitted this 14th day of January, 1903.

BENJ. M. JONES,
W. EDW. FOSTER,
Inspectors.

On motion, the meeting adjourned.

C. R. HEIKE, *Secretary.*

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, March 3, 1903, at 11.30 a. m.

On motion the resolution of the board passed at a meeting held on June 10, 1902, and which reads as follows:

"On motion the president was authorized to invite outside interests to take one-half of the existing interest of the company in beet-sugar properties, and also to participate in new developments," is hereby reaffirmed and made to apply to all interests of the company in beet sugar, which has been acquired, or which may be acquired, down to February 28, 1903, except the company's interests in the Spreckels Sugar Co. in California.

Resolved, further, That for such one-half of the interests of the company in beet sugar the president be, and he hereby is, authorized and directed to accept cost to the company and interest at the rate of 6 per cent per annum, any dividends and earnings and a pro rata share of the benefit of any agency arrangement to go to the buyer, and further, if the sale be made, that the president be, and he hereby is, authorized and directed to make the necessary arrangements and to consummate the sale.

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, May 12, 1903, at 11.45 a. m.:

The president having reported that proposals had come to him, and that at any time there might come to him other proposals for the acquisition by the company of beet sugar interests additional to those now possessed by the company, it was

Resolved, That, in view of the existing hostility to corporate combination, it is inexpedient that the present holdings of the company should be increased, and that the company declines to increase its present beet sugar interest.

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, June 9, 1903, at 11.30 a. m.:

The sale of the Oxnard Bros. Co. property at the corner of Dock and Water Streets in Brooklyn at \$40,000 was authorized.

Special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, July 21, 1903, at 12.30 p. m.

The purchase of 300 shares of the stock of the Fort Collins (Colo.) Sugar Co. at par was authorized.

Special meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, September 1, 1903, at 12.30 o'clock p. m.

The president called attention to the annual stockholders' meeting of the Fort Collins (Colo.) Sugar Co., to be held on October 15, and that it was desirable that a new board of directors be elected, and on motion the selection of the new members of the board was left to the discretion of Mr. Havemeyer and Mr. C. S. Morey.

The president reported that he had purchased 4,536 shares of the capital stock of the Great Western Sugar Co., also 1,570 shares of the Great Western Railway Co.

On motion by Mr. John E. Parsons it was resolved that President Havemeyer's son, Horace Havemeyer, be authorized to enter the company's sugar refineries, beet factories, and other collateral properties to study their character and operations in a confidential manner and without remuneration.

Special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, October 27, 1903, at 11.30 a. m.:

On motion the renewal of the lease of the company's refinery property in San Francisco to the Western Sugar Refining Co. for five years, from September 30, 1907, to September 30, 1912, and at the same terms was authorized. It was understood that the lease of the California Refinery to the Western Sugar Refining Co. would also be renewed for five years.

The president submitted to the board for consideration an offer by the United States Sugar Refining Co. to purchase from the company for immediate delivery all its holdings of stock in the Spreckels Sugar Refining Co. and the Franklin Sugar Refining Co., payment to be made in the increased capital stock of the United States Sugar Refining Co., this to be increased from \$10,000 to \$250,000 and all the new stock to be delivered to this company when issued.

After discussion the following resolution was moved, seconded, and unanimously adopted:

Resolved, That the company accept the offer of the United States Sugar Refining Co. to purchase, for immediate delivery, the stock held by the company in the Spreckels Sugar Refining Co. and the Franklin Sugar Refining Co.; payment therefor to be made in the capital stock of the United States Sugar Refining Co.; this stock to be increased from \$10,000 to \$250,000, and all of the new stock to be delivered to this company when issued.

Resolved further, That upon the adoption of the proper resolutions to that end and by the directors of the United States Sugar Refining Co., including a resolution that that company will so increase its capital stock and will deliver the increased stock to this company in payment as above, the proper officers of the company be, and they hereby are, authorized at once to deliver to the United States Sugar Refining Co. all the shares of the stock of the Spreckels Sugar Refining Co. and the Franklin Sugar Refining Co. now held by the company, and to execute all assignments, transfers, and other paper necessary or proper to vest the title thereto in the United States Sugar Refining Co.

Special meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 1, 1903, at 11.20 a. m.:

The secretary called attention to the annual meeting of the stockholders of the company on January 13, 1904, and to the election to be held of two directors in place of Charles H. Senff and Washington B. Thomas, whose term of office would then expire; and on motion the secretary was directed to mail to each stockholder the usual circular inclosing a proxy and recommending the reelection of the gentlemen named.

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, December 8, 1903, at 11.30 a. m.:

The names of Samuel Carr, Arthur Donner, and Henry B. Closson, as the attorneys mentioned in the stockholders' proxy for the annual meeting of January 13, 1904, and who are to vote for the reelection of Messrs. Charles H. Senff and W. B. Thomas as directors, were approved.

ANNUAL STOCKHOLDERS' MEETING, JANUARY 13, 1904.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co. held at the office of the company in Jersey City, N. J., on Wednesday, January 13, 1904, at 12 o'clock noon, pursuant to call:

The meeting was called to order by President H. O. Havemeyer and C. R. Heike acted as secretary.

The president presented his annual statement concerning the business of the company as follows:

"A year ago I reported to the stockholders that the average price at which refined had been sold during the year was 4.55 cents a pound and that this included 1.81 cents to the Government, thus reducing the net price to 2.74 cents a pound as against a net price which in 1887, at the time of the formation of the Sugar Refineries Company was 3.50 cents per pound. With slight modifications, the statement can be repeated for this meeting. The average price of refined during the year has been 4.64 cents per pound, including 1.81 cents per pound to the Government, making net price 2.83 cents per pound. We have at the present time 13,000 stockholders. Any information about the company's affairs which they as a body ask for the directors will at all times be glad to furnish. Up to the present time the stockholders have determined that special information shall not be given to individual stockholders. The directors have conformed to this. They will continue to do so unless instructed differently by the stockholders.

"In my report of a year ago I made the point that a business corporation is an aggregation of individuals, and that there were obvious objections to giving to competitors information about corporate affairs, that is to say, the affairs of a union of individuals which a partnership or individual is not compelled to make public in respect of its or his own affairs. I further stated:

"It is not my purpose to criticize or comment upon the various plans which are under consideration to hurt corporate business. What I say is intended for our own stockholders. It is due to them that the business of the company shall be carried on so far as it fairly and reasonably can be in their interests, and this course the directors propose to pursue, conforming always, of course, to whatever shall become the law of the land.

"I repeat the statement as applicable to the present situation.

"The dividends for the past year have been continued at the 7 per cent rate, any surplus of earnings or accumulated profits being reserved as working capital. The stockholders have heretofore approved this. They are asked to do so at this time."

On motion the meeting proceeded to the election of two directors, in place of Charles H. Senff and Washington B. Thomas, to serve for three years. Messrs. W. Edward Foster and George Dinkel were appointed inspectors of election, and they took the following oath:

STATE OF NEW JERSEY,

County of Hudson, ss:

W. Edward Foster and George Dinkel, sworn upon their respective oaths, do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will to the best of their skill and ability conduct the

election to be held this day for the directors of the American Sugar Refining Co., and a true report make of the same.

W. EDWARD FOSTER.
GEORGE DINKEL.

Sworn and subscribed before me this 13th day of January, 1904.

JOHN F. MURPHY,
Notary Public, Jersey City.

The polls were declared open at 12.05 p. m., and the balloting proceeded. There were present in person or by proxy holders of 276,966 shares of preferred stock and 317,081 shares of common stock.

The following resolutions offered by Mr. Henry R. Reed were read:

Resolved, That the action of the directors at the meeting held January 12, 1904, which reads as follows:

“Resolved, That the accumulated profits, less dividends which have been declared up to this time, including the dividend of January 2, 1904, be reserved as working capital, less such amounts as the directors shall see fit from time to time to declare as dividends,” be, and the same hereby is, approved and confirmed by the stockholders.

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company’s business and the conduct of its officers, and their action generally down to this time.

In presenting these resolutions to the meeting the president invited the discussion of them by the stockholders.

On motion, duly seconded, these resolutions were unanimously adopted.

The secretary reported that the committee of three stockholders, not directors, appointed at the last annual meeting, to employ an auditor to make under oath the statement required by the laws of Massachusetts, had employed such an auditor, and that he had under oath made a written certificate as required by the laws of Massachusetts, proving the condition of the affairs of the company as disclosed by its books.

The Massachusetts statement was presented.

The following resolution offered by Mr. Henry R. Reed was read and on motion unanimously adopted:

“Resolved, That E. W. Gerbracht, H. C. Mott, and C. R. Heike be, and they hereby are, selected as a committee of three stockholders, who are not directors, to employ an auditor to make under oath the written statement required by section 67, chapter 437, of the acts of 1903 of the laws of the State of Massachusetts.”

The following resolution offered by Mr. Henry R. Reed was read:

“Resolved, That any information of a general character which the directors see fit to make public be furnished to all the stockholders of the company alike, and that no other information be given to individual stockholders.”

The president invited discussion of it, and afterwards on motion, duly seconded, the resolution was unanimously adopted.

At 1.05 p. m. the president declared the polls closed, and the inspectors made the following report:

“We, the subscribers, inspectors of election, appointed by the stockholders of the American Sugar Refining Co. at their meeting held this 13th day of January, 1904, do report that having taken oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

“We report that 594,047 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

For directors.

	Number of votes.	
	Preferred stock.	Common stock.
Charles H. Sentf.....	276,966	317,018
Washington B. Thomas.....	276,966	317,081

“All of which is respectfully submitted this 13th day of January, 1904.

“W. EDW. FOSTER.
“GEORGE DINKEL.”

On motion the meeting adjourned.

C. R. HEIKE, *Secretary.*

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, April 26, 1904, at 11.45 a. m.

On motion the following resolution was adopted:

Resolved, That the 12,940 shares of common stock and 6,500 shares of preferred stock of the Baltimore Sugar Refining Co., owned by the American Sugar Refining Co. and standing in its name, be transferred to the name of John Gill, and that the president and the secretary be, and they hereby are, authorized to indorse the certificates and to sign the necessary transfer."

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, May 10, 1904, at 2.15 p. m.

On motion the following resolutions were adopted:

Resolved, That the resolution adopted at the meeting of April 26, 1904, and which reads as follows:

Resolved, That the 12,940 shares of common stock and the 6,500 shares of preferred stock of the Baltimore Sugar Refining Co., and standing in its name, be transferred to John Gill, and that the president and the secretary be, and they hereby are, authorized to indorse the certificates and to sign the necessary transfer', be, and the same hereby is, rescinded and annulled.

Resolved, further, That the 12,940 shares of common stock and the 6,500 shares of preferred stock of the Baltimore Sugar Refining Co., and standing in its name, be transferred to the name of John Gill, trustee, and that the president and the secretary be, and they hereby are, authorized to indorse the certificates and to sign the necessary transfer."

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at the office, 117 Wall Street, New York, on Monday, November 7, 1904, at 11 o'clock a. m.

On motion the following resolution was adopted.

"The company being interested in the stock of the Great Western Sugar Co., the Fort Collins (Colo.) Sugar Co., the Longmont Sugar Co., the Eaton Sugar Co., the Greeley Sugar Co., and the Windsor Sugar Co., the stock of such companies belonging to our company, standing in the name of Arthur Donner and C. R. Heike, and there being submitted to the meeting a proposed agreement looking to the incorporation of a Jersey company, to be called the Great Western Sugar Co. of New Jersey, and the acquisition by it of the stock of stockholders in the said several companies, including the stock in the names of Messrs. Donner and Heike;

Resolved, That the board approve such agreement, directs it to be signed on behalf of the company by Messrs. Donner and Heike, and directs further that Mr. Donner be, and he hereby is, authorized to represent the company in respect to all the matters called for by such agreement, and necessary for its consummation, the full authority in the premises."

On motion an increase of the capital stock of the Windsor Sugar Co. in the amount of \$100,000, viz., from \$650,000 to \$750,000, and of the Fort Collins (Colo.) Sugar Co. in the amount of \$250,000, viz., from \$1,000,000 to \$1,250,000, was authorized and the treasurer was directed to subscribe for our proportionate share in this increase and to pay for it in cash at par.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, December 13, 1904, at 11 o'clock a. m.:

The president called attention to the annual meeting of the stockholders of the company on January 11, 1905, and the election to be held of two directors in place of Messrs. Parsons and Palmer, whose term of office will expire, and on motion, Mr. John E. Parsons was unanimously nominated to succeed himself, and Mr. George H. Frazier was unanimously nominated to succeed Mr. Lowell M. Palmer.

The president was authorized at his discretion to purchase the property of the Saginaw Valley Sugar Co. for the amount of its debts, and to remove one of the plants to Sterling, Colo.

On motion the president was authorized to subscribe to 90 per cent (\$675,000) of the capital stock of the Sterling Sugar Co., Colorado, of \$750,000, part of which to be paid by a Michigan plant to be transferred.

Authority to sell the coffee business of the company was given to a committee consisting of Messrs. Havemeyer, Parsons, and Donner, with power of substitution.

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, January 10, 1905, at 11.15 a. m.

The amount received from the Western Sugar Refining Co., \$1,500,000, from the surplus of that company was ordered to be credited to the building account of the new refinery at New Orleans.

The president was authorized to take at 95 per cent one-half of a proposed loan by the American Beet Sugar Co. of \$3,000,000 for five years, with interest at 6 per cent per annum, and secured by the notes of that company.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co., held at the office of the company in Jersey City, N. J., on Wednesday, January 11, 1905, at 12 noon, pursuant to call.

The meeting was called to order by President H. O. Havemeyer, and C. R. Heike acted as secretary.

The president presented his annual statement as follows:

"The directors recognize the compliment which the stockholders pay to them when they, the stockholders, abstain from personal attendance at the annual meeting of the company. It would be the greatest satisfaction to the directors to meet the stockholders on such occasions. By this is meant to meet them in person. While their proxies enable the necessary business to be conducted and such other action to be taken as comes before the meeting, it is not the same as if the stockholders would come to the meeting themselves. The object of principal interest to the stockholders naturally and always is that of dividends upon the stock.

"The dividends during the past year have been maintained at the rate which has for years been established. It goes without saying that the dividends have been earned. The law forbids the payment of dividends except from earnings, and in this, as in all respects, the wish of the directors and the interests of the stockholders are that all requirements of the law shall be observed. I repeat what I have had occasion to say before, that any information which is desired by the body of stockholders is not only the duty, but it will be the pleasure of the directors to give. But unless instructed otherwise, they will pursue the policy of giving all the information for which the law provides, and will follow the direction of the stockholders not to give special information to a particular individual.

"I am gratified to call attention to the report which in December last was submitted by the United States Commissioner of Corporations. Whether the general suggestions in Mr. Garfield's report shall meet with favor remains to be seen. Not many of those suggestions bear upon the business of our company. One feature of his report in its reference to injury to business must meet with hearty commendation. Mr. Garfield says:

"In the investigation of special corporations the commissioner will necessarily acquire knowledge of business facts, the publication of which will be an infringement of private rights. The method of reporting and making public the results of these investigations affords a means, through the president, for protecting private rights. In this particular the method of procedure is similar to the action and reports of the Comptroller of the Currency regarding national banks. There will thus be presented to Congress all relevant facts, except such as would afford to any corporation information which would injure the legitimate business of a competitor and destroy the incentive for individual superiority and thrift.

"We recognize that the persons interested in the company are its stockholders and its creditors. There is certain general information necessary, for example, the making up the public details of the census report, in which the public at large are interested. Information of this kind has a relation to the general industries of the country. Where it does not pass the line which is recognized by the report of Mr. Commissioner Garfield, manufacturers—whether corporations or individuals—may without detriment furnish the details. Our company from the beginning has stood upon the position that information in respect of private matters which, if made public, could be used by competitors against the company, no law does or should call for.

"I submit to the stockholders with all deference that recent experience shows that nothing is so harmful to investors as reports which have an appearance of fullness, but

which for all practical purposes are essentially misleading. I have thought it suitable to say this much because of criticisms which have from time to time been made, for the reason that the distinction which I have claimed has now received official recognition. I shall not be compelled to refer to the matter again. It must be remembered that the capital stock of every corporation is open to purchase by anyone, and the laws, as I believe, of all the States discriminate between details of a public character, for which reports are required, and information relating to business details."

On motion, the meeting proceeded to the election of two directors in place of John E. Parsons and Lowell M. Palmer to serve for three years. Messrs. W. Edward Foster and George Dinkel were nominated and appointed inspectors of election, and they took the following oath:

STATE OF NEW JERSEY, *County of Hudson*, ss:

W. Edward Foster and George Dinkel sworn upon their respective oaths do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will to the best of their skill and ability conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

GEORGE DINKEL.
W. EDWARD FOSTER.

Sworn and subscribed before me this 11th day of January, 1905.

JOHN F. MURPHY,
Notary Public, Jersey City, N. J.

The polls were declared open at 12.06 p. m., and the balloting proceeded. There were present in person or by proxy, holders of 272,318 shares of preferred stock, and 275,539 shares of common stock.

The following resolutions were offered and read:

"*Resolved*, That the action of the directors at the meeting held January 10, 1905, which reads as follows: 'Resolved, that the accumulated profits, less the dividends which have been declared up to this time, including the dividends of January 3, 1905 be reserved as working capital, less such amounts as the directors shall see fit from time to time to declare as dividends,' be, and the same hereby is, approved and confirmed by the stockholders."

"*Resolved*, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers and their action generally down to this time."

In presenting these resolutions to the meeting the president invited the discussion of them by the stockholders.

On motion, duly seconded, these resolutions were then unanimously adopted.

The secretary reported that the committee of three stockholders, not directors, appointed at the last annual meeting to employ an auditor to make under oath the statement required by the laws of Massachusetts, had employed such an auditor, and that he had under oath made a written certificate, as required by the laws of Massachusetts, approving the condition of the affairs of the company as disclosed by its books.

The Massachusetts statement was presented.

The following resolution was offered and read:

"*Resolved*, That the action of the directors at the meeting of December 13, 1904, in appointing W. E. Foster, auditor, to examine the books of the company as required by the Massachusetts statute, be, and the same hereby is, approved and confirmed by the stockholders."

On motion, duly seconded, this resolution was unanimously adopted.

The following resolution was then offered and read:

"*Resolved*, That any information of a general character which the directors see fit to make public be furnished to all the stockholders of the company alike, and that special information be not given to individual stockholders."

The president invited discussion of it, and afterwards, on motion duly seconded, the resolution was unanimously adopted.

At 1.06 p. m. the president declared the polls closed, and the inspectors made the following report:

"We, the subscribers, inspectors of election, appointed by the stockholders of the American Sugar Refining Co. at their meeting held this 11th day of January, 1905, do report that, having taken oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

We report that 547,857 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

For directors.

	Number of votes.	
	Preferred stock.	Common stock.
John E. Parsons.....	272,318	275,539
George H. Frazier.....	272,318	275,539

“All of which is respectfully submitted this 11th day of January, 1905.

“W. EDW. FOSTER.
“GEORGE DINKEL.”

On motion, the meeting adjourned.

C. R. HEIKE, Secretary.

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Wednesday, January 11, 1905, at 2 o'clock p. m.:

Mr. Havemeyer stated that as the board desired to discuss the proposed Great Western Sugar Co. of New Jersey, and as he was personally largely interested in the Agricultural Investment Co. of New Jersey and the several Colorado sugar companies, whose property the Great Western Sugar Co. of New Jersey intended to acquire, he would not take part in the discussion, and that he would withdraw from the meeting.

After Mr. Havemeyer had left the room, Mr. Donner reported that the incorporation of the proposed Great Western Sugar Co. of New Jersey was in progress, it having been determined that the capital shall be \$20,000,000, one-half preferred and one-half common stock; he reported further that all of the stockholders of the Great Western Sugar Co., the Fort Collins (Colo.) Sugar Co., the Longmont Sugar Co., the Eaton Sugar Co., the Greeley Sugar Co., and the Windsor Sugar Co. were willing to sell their stock or to join in proceedings for the sale of the properties of their companies to the new company, at the rate of 200 per cent for their stock, payable by the new company in its stock, one share of preferred and one share of common of the new company for each share of the stock of the former companies, it was there-upon on motion—

“Resolved, That the company will sell its stock in the said companies on the same terms; that the board directs Messrs. Donner and Heike to make the sale, and that Mr. Donner be, and he hereby is, authorized to represent and act for the company in respect of all matters necessary to consummate the transaction,” and

“Resolved, further, That this company consents and requests that all persons, including any officer or officers of this company, interested in the Agricultural Investment Co. of New Jersey sell at the same rate, payable in the stock of the Great Western Sugar Co. of New Jersey as above.”

Meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, February 14, 1905, at 11.10 a. m.:

The president reported that he had executed supplemental leases with the Western Sugar Refining Co. extending the leases of the American Sugar Refinery property and of the Fitch property (50 vara lot 1491) for five years, viz., from September 30, 1907, to September 30, 1912, at the same annual rent and subject to the same conditions and stipulations, which was approved.

On motion it was resolved that the company sell its interests in the Saginaw Sugar Factory, and that it surrender its subscription to the Sterling Sugar Co.

The president reported on the proposed beet sugar factory at Blissville in southern Michigan, and that he would subscribe to \$300,000 to be expended in its erection, as authorized at the executive committee's meeting of January 31.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, July 11, 1905, at 11.30 o'clock a. m.

The president called the attention of the board to the contracts between the Hawaiian planters and the Western Sugar Refining Co. of San Francisco which expire this year, and also to the company's relations with the Western Sugar Refining Co., and on motion the President's action in the matter, as reported by him, was approved, and all further actions which will be necessary were left to his discretion.

On motion the following resolutions were unanimously adopted:

"Resolved, That the business in San Francisco be not carried on at a loss after the raw-sugar market has reached its lowest point, and that in the price of refined a margin of at least 60 cents above cost of centrifugals, 96° test, be maintained.

"Resolved, That no more raw sugar than is indispensable to the business be contracted for, that loss may be avoided in the refinery operations should the price of beet sugar preclude a profit.

"Resolved, That a copy of these resolutions be sent to Mr. Hannam, to be handed to the other stockholders as expressive of the views of the owners of one-half of the Western company's stock."

The president called the attention of the board to the company's investments in the Utah Sugar Co. and the Amalgamated Sugar Co., and on motion the matter was referred to a committee consisting of Messrs. Havemeyer, Parsons, and Frazier, with authority to sell at their discretion the preferred stock of the two companies named.

Mr. Parsons reported on the G. E. Kissel loan, the settlement of which had been referred to him by the executive committee at the meeting of May 23, 1905.

On motion the meeting adjourned.

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, November 14, 1905, at 11.15 a. m.

The building of beet-sugar factories at Nampa and at Payette, Idaho, was left to the discretion of the president, with full authority.

Action in the San Francisco and Hawaiian sugar situation was referred to a committee consisting of Messrs. Havemeyer, Thomas, and Frazier.

The president reported that the Billings Sugar Co. at Billings, Mont., proposed upon its property there to provide, fit up, and completely equip a factory capable of cutting 1,200 tons of beets daily; that the Morgan County Construction Co. proposed to provide, fit up, and completely equip a factory upon its property at Brush, Colo., and a factory upon its property at Fort Morgan, Colo., each capable of cutting 600 tons of beets daily; that he had agreed to subscribe for stock of these companies to a large amount; that Western stockholders had also agreed to subscribe for stock; and thereupon it was

Resolved, That this company subscribe and pay for stock in the Morgan County Construction Co. to the amount of \$1,400,000 and in the Billings Sugar Co. to the amount of \$1,250,000, less such subscriptions as the president may be able to obtain from other parties.

Resolved further, That the treasurer be authorized to subscribe for such stock so far as subscriptions are not obtained from other parties, and from time to time as called for to pay for the same.

Regular monthly meeting of the board of directors of the American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, December 12, 1905, at 11.15 a. m.

On motion the salary of Mr. George H. Frazier was increased to \$20,000 per annum to commence January 5, 1906.

The secretary called the attention of the board to the annual meeting of the stockholders of the company on January 10, 1906, and to the election to be held of three directors in place of H. O. Havemeyer, John Mayer, and Arthur Donner, whose term of office will then expire; and on motion the secretary

was directed to mail to each stockholder the usual circular inclosing a proxy, and recommending the reelection of the three gentlemen named.

The president stated that the Great Western Sugar Co. would issue after January 1, 1906, \$1,000,000 of its preferred stock and would offer it to its stockholders at par for cash; and on motion it was

Resolved, That this company take all of the stock to which the other stockholders of the Great Western Sugar Co. will not subscribe.

On motion the meeting adjourned.

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, January 9, 1906, at 11.15 a. m.

The parties representing the company's interest in the Great Western Sugar Co. were authorized to assent to an increase of the Great Western Co.'s capital from \$20,000,000 to \$30,000,000, one-half to be preferred, the other half common stock.

The parties representing the company's interest in the Utah Sugar Co. were authorized to assent to an increase of the first mortgage on the Utah Sugar Co.'s property to \$1,000,000, or the issuing of a second mortgage of \$700,000, the interest in either case not to exceed the rate of 6 per cent per annum.

The five years' loan to Mr. Thomas R. Cutler of \$50,000 (interest at 6 per cent per annum) against his note secured by 5,000 shares of the stock of the Western Idaho Sugar Co. was authorized.

The secretary was authorized to carry by the company's insurance fund the risk on goods and merchandise on board of vessels, lighters, and floats in the New York Harbor.

ANNUAL STOCKHOLDERS' MEETING, JANUARY 10, 1906.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co., held at the office of the company in Jersey City, N. J., on Wednesday, January 10, 1906, at 12 o'clock noon, pursuant to the following notice, which had been duly advertised and also mailed to each stockholder:

THE AMERICAN SUGAR REFINING CO.,
Jersey City, N. J., December 27, 1905.

The annual meeting of the stockholders of the American Sugar Refining Co. will be held in the office of the company at the corner of Essex and Washington Streets, Jersey City, N. J., on Wednesday, January 10, 1906, at 12 o'clock noon.

An election will be held of three directors to serve in place of H. O. Havemeyer, John Mayer, and Arthur Donner, whose term of office will then expire.

C. R. HEIKE, *Secretary*.

The meeting was called to order by President H. O. Havemeyer and C. R. Heike acted as secretary.

The president presented his annual statement as follows:

"When I come to the annual meetings of the company I am always curious to know how many stockholders will attend in person. My hope is that there will come at least a sufficient number to meet the requirement of the meeting. Up to now my hope to see stockholders at the meetings has been followed by disappointment.

"Of the 900,000 shares outstanding of the stock of the company, preferred and common, the holders of 564,823 have sent proxies for the business of this meeting. The stockholders were told that unless they expressed a wish to the contrary their proxies would be used for the reelection of Messrs. John Mayer, Arthur Donner, and myself, whose terms of office expire. No different wish has been expressed. This means confidence by the stockholders in the administration of the company's business and a wish so far as the management depends upon the membership of the board no change shall take place. I have frequently had occasion to acknowledge the compliment which this implies. I have felt that one result was perhaps to impose upon the members of the board added responsibility. If the stockholders will consider the always narrow margin between raw and refined market fluctuations, the large volume of the company's business, the innumerable situations and persons it touches, they

can understand the vigilance, the careful attention, and the business effort and knowledge which are requisite to bring about the one result which the stockholders seem to think constitutes their only interest: I mean the payment of dividends at the rate which has up to now been maintained.

"I can assure the stockholders that the business during the past year and at all times has had the closest attention and the most careful management of which the board, according to its judgment, has been capable. It has had the benefit of such business ability as is represented in the membership, and it will continue to receive the best efforts of the board as long as the stockholders continue to show their confidence in its members. If the time shall come when this confidence shall be lost, it is within the power of the stockholders to make changes; and this is a power which they ought not to be slow to exercise.

"The principle upon which the management have proceeded is that it is to the interest of the stockholders and that it ought to be and is their wish that a conservative policy shall always be pursued. During the past year there was an unparalleled decline in raw sugar. Nothing could better illustrate the judgment which has actuated the board than the fact that it has at all times recognized the uncertainty of the market, and has acted according to its best judgment to protect the stockholders from ill results, from fluctuations in price.

"The acquisition of Porto Rico and the Philippines, and the relation of this company to Cuba, all sugar growing localities, and the development of the production of beet sugar raise questions which it can readily be seen the management have been called upon and will continue to be called upon to meet.

"The business principle which has been pursued and in which we believe is to sell the largest quantity at the lowest price, consistent with a reasonable return for the capital which is required and the risks which are run.

"It is a gratification for me in concluding this statement to say that during the past year there has been no dissatisfaction on the part of the public or of stockholders which has come to the knowledge of the management."

On motion the meeting proceeded to the election of three directors in place of H. O. Havemeyer, John Mayer, and Arthur Donner, to serve for 3 years.

George W. Collins and Oscar Pfeiffer were nominated and appointed inspectors of election, and they took the following oath:

STATE OF NEW JERSEY,
County of Hudson, ss:

George W. Collins and Oscar Pfeiffer, sworn, upon their respective oaths do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will to the best of their skill and ability conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

GEORGE W. COLLINS.
OSCAR PFEIFFER.

Sworn and subscribed to before me this 10th day of January, 1906.

JOHN F. MURPHY, *Hudson County, N. J.*

The polls were declared open at 12.05 o'clock p. m., and the balloting proceeded.

There were present in person, or by proxy, holders of 296,336 shares of common stock, and 271,566 shares of preferred stock.

The following resolutions were offered and read:

"*Resolved*, That the action of the directors at their meeting held January 9, 1906, which reads as follows:

"*Resolved*, That the accumulated profits less the dividends which have been declared up to this time, including the dividend of January 2, 1906, be reserved as working capital, less such amount as the directors shall see fit from time to time to declare as dividends,"

be and the same hereby is approved and confirmed by the stockholders."

"*Resolved*, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers, and their action generally down to this time."

In presenting these resolutions to the meeting the president invited the discussion of them by the stockholders.

On motion duly seconded these resolutions were then unanimously adopted.

The secretary reported that the auditor appointed by the directors at their meeting of December 13, 1904, to make under oath the statement required by the laws of Massachusetts, and whose appointment had been confirmed by the

stockholders at their meeting of January 11, 1905, had made under oath a written certificate as required by the laws of Massachusetts, approving the condition of affairs of the company, as disclosed by its books.

The Massachusetts statement was presented.

The following resolution was offered and read:

"Resolved, That the action of the directors at their meeting of January 9, 1906, in appointing Mr. W. E. Foster auditor to examine the books of the company as required by the statutes of the State of Massachusetts, be and the same hereby is approved and confirmed by the stockholders."

On motion duly seconded this resolution was unanimously adopted.

The following resolution was offered and read:

"Resolved, That any information of a general character which the directors see fit to make public be furnished to all the stockholders of the company alike, and that special information be not given to individual stockholders."

The president invited the discussion of it, and afterwards, on motion duly seconded, the resolution was unanimously adopted.

At 1.05 o'clock p. m. the president declared the polls closed, and the inspectors made the following report:

"We, the subscribers, inspectors of election, appointed by the stockholders of the American Sugar Refining Co., at their meeting held on this 10th day of January, 1906, do report that having taken oath impartially to conduct the election, we individually received the votes of the stockholders by ballot."

"We report that 567,896 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

For directors: H. O. Havemeyer, 567,896 votes; John Mayer, 567,896 votes; Arthur Donner, 567,896 votes."

All of which is respectfully submitted this 10th day of January, 1906.

OSCAR PFEIFFER,

GEORGE W. COLLINS.

On motion meeting adjourned.

C. R. HEIKE, *Secretary.*

Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, June 12, 1906, at 11.30 o'clock a. m.:

A letter was presented from General Manager C. S. Morey of the Great Western Sugar Co., in which that company offered to purchase from the American Sugar Refining Co. the capital stock of the Great Western Railway Co. owned by it. On motion the matter was referred to a committee consisting of Messrs. Thomas, Donner, and Frazier for investigation and report.

On motion, the following resolution was unanimously adopted:

"Resolved, That in consideration of the release by the Agricultural Investment Co. of the American Sugar Refining Co.'s obligation to them to assume any part of their subscription to the Morgan County Construction Co., the American company assumes and will pay, with 6 per cent interest from the times of payment, the Agricultural Investment Co.'s subscription to the Billings company, less such subscription as the Agricultural Investment Co. concludes to retain, with the right on the part of the Agricultural Investment Co. to subscribe further to the Billings company."

On motion, the meeting adjourned.

C. R. HEIKE, *Secretary.*

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, November 27, 1906, at 11.30 a. m.:

The secretary called the attention of the board to the annual meeting of the stockholders of the company on January 9, 1907, and the election to be held of two directors in the place of Charles H. Senff and Washington B. Thomas, whose term of office will then expire; and, on motion, the secretary was directed to mail to each stockholder the usual circular, inclosing a proxy and recommending the reelection of the two gentlemen named.

- Regular monthly meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, January 8, 1907, at 11.30 o'clock a. m.:

On motion, the following resolution was unanimously adopted:

Whereas, this corporation, the American Sugar Refining Co., a corporation created, organized, and existing under the laws of the State of New Jersey, for good and valuable considerations to it paid, has sold the property hereinafter described to Insular Improvement Co., a corporation created, organized, and existing under the laws of the State of California: Now, therefore,

Resolved, That H. O. Havemeyer, president, and C. R. Heike, the secretary of this corporation, be, and they are hereby, authorized, empowered, and directed, under the corporate name and seal of the corporation, to make, execute, acknowledge, and deliver to said Insular Improvement Co. a good and sufficient deed of grant, bargain, and sale of all those certain lots, pieces, or parcels of land situate, lying, and being in the city and county of San Francisco, State of California, bounded and described as follows (here follows description of property).

ANNUAL STOCKHOLDERS' MEETING, JANUARY 9, 1907.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co., held at the office of the company in Jersey City, N. J., on Wednesday, January 9, 1907, at 12 o'clock noon, pursuant to the following notice, which had been duly advertised and also mailed to each stockholder:

THE AMERICAN SUGAR REFINING CO.,
Jersey City, N. J., December 26, 1906.

The annual meeting of the stockholders of the American Sugar Refining Co. will be held in the office of the company, at the corner of Essex and Washington Streets, Jersey City, N. J., on Wednesday, January 9, 1907, at 12 o'clock noon.

An election will be held of two directors to serve in the place of C. H. Senff and W. B. Thomas, whose term of office will then expire.

C. R. HEIKE, *Secretary.*

The meeting was called to order by President H. O. Havemeyer, and C. R. Heike acted as secretary.

On motion, the meeting proceeded to the election of two directors in place of W. B. Thomas and Charles H. Senff, to serve for three years.

W. Edward Foster and George Dinkel were nominated and appointed inspectors of election, and they took the following oath:

STATE OF NEW JERSEY, *County of Hudson, ss:*

W. Edward Foster and George Dinkel, sworn upon their respective oaths, do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will to the best of their skill and ability conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

W. EDWARD FOSTER.
GEORGE DINKEL.

Sworn and subscribed before me this 9th day of January, 1907.

JOHN F. MURPHY,
Hudson County, N. J.

The polls were declared open at 12.02 o'clock p. m. and the balloting proceeded.

There were present in person or by proxy holders of 282,545 shares of common stock and 265,474 shares of preferred stock.

The president presented his annual statement as follows:

"The attention of the stockholders was undoubtedly drawn to the rebate litigation against the company. It is their right to know briefly what it was which induced the company to bring about the termination of the litigation, as was done.

"The proceedings started with statements to the effect that in violation of law the company had received rebates to the amount of millions. Such assertions were officially made. As the result of investigation by the United States attorney indictments were found which charged that rebates had been received to the total amount of \$50,680.75. The United States attorney claimed that he had proof which would increase the amount to \$70,000. During the years in question (1903-4) the company paid in freight on refined sugar \$8,064,508.43. It would seem to be unreasonable to think that the company or even its subordinate officers, whose acts were complained of, could have intended any violation of the law.

"The indictments were against the Brooklyn Cooperage Co. and the Sugar Co. Of the total amount, \$41,767.48 was for shipments prior to the passage of the Elkins Act, which first imposed penalties upon shippers. The payment happened to be subsequent to the passage of the act. A case involving that question was tried. The counsel who represented the company were and are of the opinion that such shipments did not come within the intention or the language of the law; that an attempt to make the act retroactive would defeat it. The court held otherwise. The United States attorney claimed that for every shipment in respect of which rebates were alleged to have been received the company was liable for the acts of its subordinates; that for each shipment there might be a separate indictment or count; and that upon each there might be imposed a fine up to \$20,000. That the company was liable for the acts of its freight office was held by the court. In the case of the Cooperage Co. the indictment contained 12 counts. It charged rebates to the amount of \$1,305.09. The total amount of seven counts was \$626.33, less than \$90 each. The fine imposed was \$10,00 on each, \$70,000 in all.

"With all respect to the court, its decision failed to convince the board or its counsel of its correctness. The court, however, having ruled as it did, the board felt that it was justified in acting accordingly; and, in view of the whole situation, it was of the opinion that it was in the interest of the stockholders to settle on the basis of pleas of guilty and penalties to the total amount of \$150,000, additional to \$18,000 imposed by the court in the case that was tried.

"We have 13,063 holders of preferred and common stock. It can readily be seen that the interest of no individual is large. It is the stockholders who are hurt by such proceedings. The officers of the company will continue to do what they can to prevent in the future any claim that the company does not comply with the Interstate-commerce act. Whether it will be able in every case to anticipate just what about doubtful points will be ultimately decided by a court remains to be seen.

"A receiver of the Pennsylvania Sugar Refining Co., one of the schemes of Adolph Segal, threatens proceedings against the company, its president, its counsel, and others, in which he claims large sums of money for alleged violations of the law. I am advised that there is no legal foundation for any such proceedings. If commenced, however, it will be necessary to meet them. A petition for leave to start proceedings has been filed by the receiver, a copy of which is open to the stockholders for their examination.

"This statement is submitted for such action as shall be thought suitable by the stockholders.

"I repeat what heretofore I frequently have had occasion to say, that the members of the board wish that more stockholders will attend in person the annual meetings of the company.

"Of the 900,000 shares outstanding of preferred and common stock, the holders of 547,699 shares have sent proxies for the business of this meeting. The stockholders were informed that unless they wished otherwise, their proxies would be used for the reelection of Messrs. W. B. Thomas and Charles H. Senff, whose terms of office expire. I have heard of no wish to the contrary. The board accepts this as evidence of confidence by the stockholders in the administration by the board of the company's business. It would be more satisfactory if stockholders would, by coming to the meeting, give to the board the benefit of more active participation by them in the many questions which continually arise to be met and dealt with. The same conservative management upon which the board has heretofore acted has influenced its action during the past year. There are always fluctuations in the price of raw sugar. To anticipate and, so far as it is possible, to meet them requires constant vigilance and the best judgment which is possible by the officers and the members of the board. I repeat what I said a year ago, that the business principle which has been pursued, and in which we believe, is to sell the largest quantity at the

lowest price consistent with a reasonable return for the capital which is required, the risks which are run, and the business ability which is involved.

"If information additional to that furnished by public statements is desired by the stockholders, the board stands ready at all times to furnish it. From action heretofore taken by the stockholders the board has assumed that it is their wish in this respect that all should be treated alike; that if any stockholder desires special information, it is suitable that he shall attend the meetings and make his request known, to the end that it may be acted upon in a suitable way. Unless this is done the board will take for granted that the wish of the stockholders is that there shall be made such public statements as are required by law, and that it is for the board to see to it that this is done."

The following resolution was offered by Mr. Gilmer Clapp and read:

Resolved, That the action of the directors at their meeting held January 8, 1907, which reads as follows: "*Resolved*, That the accumulated profits less the dividends which have been declared up to this time including the dividend of January 2, 1907, be reserved as working capital, less such amounts as the directors shall see fit from time to time to declare as dividends," be and the same hereby is, approved and confirmed by the stockholders.

In presenting this resolution to the meeting, the president invited the discussion of it. Several of the stockholders took part in the discussion.

On motion, duly seconded, this resolution was then unanimously adopted.

Mr. Gilmer offered the following resolutions, which were read:

Resolved, That it is the opinion and wish of the stockholders that such further information of a general character shall from time to time be given as the directors see fit to make public, and that it be furnished to all stockholders alike; that if any stockholder desires additional information it should be made known at the meetings of the stockholders so that it may be considered by them.

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers and their action generally down to this time.

In presenting these resolutions to the meeting, the president again invited the discussion of them by the stockholders.

On motion, duly seconded, these resolutions were then unanimously adopted.

Mr. Gilmer Clapp also offered the following resolution, which was read:

Whereas it is charged by George H. Earle, as receiver of the Pennsylvania Sugar Refining Co. that he has claims against this company for large amounts alleged to have been lost to the Pennsylvania Sugar Refining Co. by the action and in the interest of this company, for which he maintains that the company and also its president, counsel, and members of the board are liable, any action by them being for the company;

Resolved, That as between each and all of them and the company, it assumes the entire responsibility in the premises; that it will defend, protect, and indemnify them and each of them; that they are asked to cooperate with the company in defense against any such claims; and that the board is hereby directed to take such action as will in its judgment fully carry out the intention hereof, and furnish such protection and indemnity.

On motion, duly seconded, this resolution was also unanimously adopted:

At 1.02 o'clock p. m. the president declared the polls closed, and the inspectors made the following report:

"We, the subscribers, inspectors of election, appointed by the stockholders of The American Sugar Refining Co. at their meeting held this 9th day of January, 1907, do report that having taken oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

"We report that 548,019 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

"For directors: W. B. Thomas, 548,019 votes; Charles H. Senff, 548,019 votes."

All of which is respectfully submitted this 9th day of January, 1907.

W. EDWARD FOSTER,
GEO. DINKEL,
Inspectors of Election.

On motion the meeting adjourned.

C. R. HEIKE, *Secretary.*

Meeting of the board of directors of The American Sugar Refining Co. held at 117 Wall Street, New York, on Wednesday, February 13, 1907, at 11 o'clock a. m.

On motion by Arthur Donner, seconded by George H. Frazier, the following resolution was unanimously adopted:

Resolved, That in accordance with the resolution passed by the stockholders at their last annual meeting the secretary, in the name of and for the company, send to the President a letter giving to him a copy of the resolution of the stockholders in reference to proceedings in the Segal matter, asking him to cooperate in defending against any such proceedings, and agreeing as to them that the company assumes the entire responsibility of what has occurred in the Segal matter; and that it will defend, protect, and indemnify him; and in the event of a suit and possible recovery that it will either pay the same, or if any appeal shall be taken that it will stay proceedings and secure and, if and when required, make payment.

On motion by Arthur Donner, seconded by George H. Frazier, the following resolution was unanimously adopted:

Resolved, That in accordance with the resolution passed by the stockholders at their last annual meeting, the secretary, in the name of and for the company, send to Mr. John E. Parsons, the counsel of the company, a letter giving to him a copy of the resolution of the stockholders in reference to proceedings in the Segal matter, asking him to cooperate in defending against any such proceedings, and agreeing as to him that the company assumes the entire responsibility of what has occurred in the Segal matter, and that it will defend, protect, and indemnify him, and in the event of a suit and possible recovery that it will either pay the same or if an appeal shall be taken that it will stay proceedings and secure and, if and when required, make payment.

On motion the meeting adjourned.

Meeting of the board of directors of the American Sugar Refining Co., held at 117 Wall Street, New York, on Wednesday, February 13, 1907, at 11.30 o'clock a. m.:

On motion the following resolution was unanimously adopted:

Resolved by the board of directors of the American Sugar Refining Co., a corporation organized and existing under the laws of the State of New Jersey, and a stockholder owning stock of the Spreckels Sugar Co., a corporation organized and existing under the laws of the State of California, That W. H. Hannam, of the city and county of San Francisco, State of California, be, and he hereby is, appointed as the proxy of the American Sugar Refining Co., to vote for it and in its name, place, and stead, on all shares of stock owned by the American Sugar Refining Co. in said Spreckels Sugar Co., at all meetings of the stockholders of said Spreckels Sugar Co. on all matters which may come before any such meeting for the period of seven years from this date, namely, February 13, 1907, and that a copy of this resolution, certified by the secretary, be filed with the secretary of Spreckels Sugar Co., and the authority hereby conferred shall remain in force during said period, unless otherwise ordered by the board of directors of this company.

Meeting of the board of directors of The American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, June 11, 1907, at 11.15 a. m.:

Mr. Donner reported on the loan made by The Compania Mercantil de Cuba to Diaz & Co. for \$200,000 Spanish gold (equal to \$184,000 United States currency) secured by a mortgage on the Santa Catalina plantation, and to which reference had been made at the executive committee's meeting of April 23, 1907. He stated that the negotiations for the formation of the new company to take over the plantation had not been successful, and that proceedings would be commenced to foreclose the property. The matter was referred to the finance committee with power.

Mr. S. M. Edgell was authorized to enter one of the company's refineries in order to learn the sugar business, under pledge to the company, for at least 15 years not to use the information obtained for the benefit of any outside interests, in accordance with his letter addressed to President Havemeyer dated June 10, 1907.

Meeting of the board of directors of The American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, November 12, 1907, at 11.15 o'clock a. m.:

The secretary called the attention of the board to the annual meeting of the stockholders of the company on January 8, 1908, and to the election to be held of two directors in place of John E. Parsons and George H. Frazier, whose term of office will then expire; and on motion the secretary was directed to mail to each stockholder the usual circular enclosing proxy and recommending the reelection of the two gentlemen named.

Mr. Parsons reported on the Kissel loan and the suit which had been commenced by the Pennsylvania Sugar Refining Co. against this company.

Meeting of the board of directors of The American Sugar Refining Co. held at 117 Wall Street, New York, on Tuesday, December 10, 1907, at 11.30 o'clock a. m.:

The directors before entering upon the transaction of any business took the following action:

The sad duty devolves upon the directors to note upon their minutes the death since their last meeting of Mr. H. O. Havemeyer, the president of the company. He died in the 61st year of his age, on December 4, after an illness of a few days.

It may almost be assumed that everyone conversant with current affairs knows that Mr. Havemeyer was born and brought up to the business of sugar refining—was carefully trained for it from his early life, that his name, in fact, was synonymous with the industry; that as a member of his firm of Havemeyer & Elder he had conducted the business successfully; that he understood all its details whether on the manufacturing or the commercial side; and that to the affairs of the company from its organization he gave untiring industry, extraordinary ability, farseeing sagacity, comprehension of everything which needed to be considered in caring for a business so important and with so many ramifications; that he was willing to take the responsibility which came to him; and that he unhesitatingly gave to the stockholders the benefit of his fitness for the position to which their action elected and their approval continued him.

He had the courage of his convictions even up to the point of refusing to answer questions put to him by a congressional committee, the court on the trial which followed sustaining him, as had his action received the approval of the minority of the committee and in an opinion of Judge Gray, one of its members.

Mr. Havemeyer was quick, outspoken, gruff in a way, but the board avail of the occasion to bear tribute to the kindness of his heart, the warmth of his friendship, and the courtesy to all in relation to whom he was brought by his manifold interests.

And it would be unsuitable if the board did not place upon record a reference to the personal side of Mr. Havemeyer's character when he was able to free himself from his business cares and responsibilities. He was an enthusiastic lover of art, connoisseur of world-wide reputation, devoted to music, himself a performer, a lover of the best books, fond of country life, a good sportsman, devoted to and devotedly loved by his family.

Resolved, That a copy of this minute be sent to Mrs. Havemeyer, with the assurance of the profound sympathy of each member of the board in the loss which has come to her, to her family, and to the board.

Mr. Thomas presented and read a letter he had received from William J. Seaver, secretary of Boston Wholesale Grocers' Association, relative to a meeting held by that association on December 5, and at which action had been taken in regard to the death of President Havemeyer. The secretary was directed to write to Mr. Seaver that the directors feel greatly indebted to the members of his association for their appreciation of Mr. Havemeyer and their expression of regret and sorrow at his sudden death.

Mr. Donner presented and read a letter received by him from Hugh Kelley, chairman, relative to a meeting of the Sugar Trade of New York, which had been held on the 6th instant in memory of the late President H. O. Havemeyer, and the resolution adopted to erect at the entrance hall of the company's building at 117 Wall Street a memorial bronze tablet containing a relief portrait of Mr. Havemeyer. The secretary was directed to communicate with Mr. Kelley

and to state to him that the directors are very much gratified by the action of the members of the sugar trade, and that they gladly give the requested permission for the erection of the memorial tablet.

The vice president referred to the vacancy in the board due to the death of Mr. H. O. Havemeyer, and on motion by Mr. Parsons, Mr. Horace Havemeyer was appointed director to fill the vacancy until the annual meeting of the stockholders on January 8, 1908.

On motion by Mr. Parsons Mr. W. B. Thomas was elected acting president of the company, to hold office until the annual meeting on January 8, 1908.

The secretary was directed to amend the notice of the annual meeting, ordered at the directors' meeting of November 12, by adding that an election will also be held of one director to fill the vacancy caused by the death of Mr. H. O. Havemeyer, to hold office until the expiration of his term, and that the proxy would be voted for the election of Mr. Horace Havemeyer, the son of Mr. H. O. Havemeyer, to succeed his father. The circular should also state as information to the stockholders that it was the intention of the board at the annual election of officers after the stockholders' meeting to elect Mr. W. B. Thomas president of the company.

ANNUAL STOCKHOLDERS' MEETING.

JANUARY 8, 1908.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co., held at the office of the company, in Jersey City, N. J., on Wednesday, January 8, 1908, at 12 o'clock noon, pursuant to the following notice, which had been duly advertised and also mailed to each stockholder:

THE AMERICAN SUGAR REFINING Co.,
Jersey City, N. J., December 24, 1907.

The annual meeting of the stockholders of the American Sugar Refining Co. will be held in the office of the company at the corner of Essex and Washington streets, Jersey City, on Wednesday, January 8, 1908, at 12 o'clock noon.

An election will be held of two directors to serve in place of John E. Parsons and George H. Frazier, whose term of office will then expire, and of one director to fill the vacancy caused by the death of H. O. Havemeyer, to hold office until the expiration of his term.

C. R. HEIKE, *Secretary.*

The meeting was called to order by Acting President W. B. Thomas, and C. R. Heike, secretary of the company, acted as secretary of the meeting.

On motion the meeting proceeded to the election of two directors in place of John E. Parsons and George H. Frazier to serve for three years and of one director to fill the vacancy caused by the death of H. O. Havemeyer, to hold office until the expiration of his term, viz, for one year.

W. Edward Foster and George Dinkel were nominated and appointed inspectors of election and they took the following oath:

STATE OF NEW JERSEY,
County of Hudson, ss:

W. Edward Foster and George Dinkel sworn upon their respective oaths do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election and will to the best of their skill and ability conduct the election to be held this day for directors of The American Sugar Refining Co., and a true report make of the same.

W. EDWARD FOSTER.
GEORGE DINKEL.

Sworn and subscribed before me this 8th day of January, 1908.

JOHN F. MURPHY,
Hudson County, N. J.

The polls were declared open at 12.02 o'clock p. m., and the balloting proceeded.

There were present in person or by proxy holders of 266,967 shares of common stock and 270,883 shares of preferred stock.

Acting President Thomas presented his annual statement, as follows:

"Those who have been in the habit of attending these meetings will miss the familiar face and the engaging personality of Mr. H. O. Havemeyer, our late president. Mr. Havemeyer died on December 4 last, after a short illness. An appropriate minute was made in their minute book by the board. There have been so many published notices about Mr. Havemeyer's death and action has been taken by so many associations with which he was connected that all that is required for the stockholders at this time is to recognize Mr. Havemeyer's unique relations to sugar refining, his masterful knowledge of the business, and the conspicuous ability with which he conducted the affairs of the company. The members of the board were particularly touched by a proposal from the Sugar Trade of New York to place upon the walls of the company's building a tablet in memory of Mr. Havemeyer, a proposal which was gratefully accepted.

"In connection with Mr. Havemeyer's death the statement has been widely published that he persistently opposed public statements in regard to the company's business. This is not entirely accurate. Mr. Havemeyer believed in an industry such as sugar refining in the economies and other advantages which come from doing business on a large scale as against doing it on a lesser scale. It was his opinion that this enabled sugar to be sold at a fair profit, at a reduced price, which was in the interest of consumers, the return coming from increased consumption. He pointed to the fact that during the 20 years which preceded the organization of the Sugar Refineries Co. over 20 refining companies or partnerships had failed in business with the result of loss to themselves, loss to their creditors, loss to employees, who were thrown out of work, and loss to consumers in that every failure furnished an occasion for an increase of price by the refineries which remained. He maintained that by a combination of capital and business interests those who were willing to embark capital, consumers, as has been said, and employees who were furnished with steady employment were all benefited. He did not believe that it was possible, and he was satisfied that it was not good business to attempt to maintain a price so high as of itself to invite injurious competition.

"Upon the subject of publicity Mr. Havemeyer's position was that every statement required by law should of course be published, but that in the case of private corporations concerned in competitive business the question of what more should be done was one to be determined by the stockholders; that whatever information the stockholders, as a body, call for should be given; but if they were satisfied that publicity put the business at a disadvantage, their wishes should control. About the benefit to come from such statements, Mr. Havemeyer also had a somewhat positive opinion. They involve a statement of assets, the valuation of which is largely a matter of opinion. To fix such a valuation is difficult for those upon whom the duty devolves; and to reach an opinion about its accuracy may be regarded as impossible on the part of others who may wish to form an independent judgement upon the subject. It is not inappropriate to recall as part of the financial history of the last 10 years or more, that the disasters which have befallen corporations, and their stockholders have not been prevented by the fact that the companies involved have made more or less full financial statements. Such statements are relied and acted upon; but in many cases when a crisis has come they have been proven to be inaccurate and misleading, although made in good faith.

The foregoing suggestions do not by any means mean that the directors think that the question of statements to be published by the company is settled or determined upon. On the contrary, the directors are of the opinion that the matter should be taken up for consideration and favorable action.

Under the able management of Mr. Havemeyer, and the conditions existing in the past, I believe our policy was wise and fully justified, but I believe that now under the new conditions which large corporations in my opinion must face, a policy of publicity is desirable; I am heartily in favor of it, and I hope to bring about this result. The time of making such a statement and its nature, must be matters of serious consideration, and will be dealt with by the directors according to their best judgement. It may be stated, however, that hitherto there has not been expressed by any considerable number of stockholders a wish for greater publicity.

"I avail myself of this occasion to correct a misconception on the part of those who are disposed to treat the company as if those interested in it are limited in number and represent individual interests of large amount. There

are at the present time 9,244 holders of preferred stock and 9,833 holders of common stock, the average holding of the preferred stockholders being 48⁷/₈ shares and of common stockholders 45⁵/₈ shares. Of the total of 19,077 stockholders of preferred and common taken together, the average holding is 47³/₈ shares. It will be readily seen that any action tending to hurt the company hurts the large number of persons who hold the stock mainly for investment, and also the large number of others who, in one way or another, are dependent upon the industry. The board is pleased to know that proxies have been received for this meeting from the holders of 267,245 shares of preferred, and the holders of 265,617 shares of common stock, showing cordial unanimity on the part of these stockholders. Total, 532,862.

"The subject of principal importance to the stockholders is that the business shall be so conducted as to insure the continuance of reasonable dividends. The question has heretofore been raised and is no doubt in the minds of stockholders whether some distribution by way of dividends should not be made from the company's reserve. Upon that subject the directors remain of the opinion that the strength of the company and its success require that to meet the exigencies of the business and to insure its permanent success there should be a substantial reserve. Whatever reserve there is belongs to the stockholders, and the practical question is what is best for their interest. The policy which the board will follow unless otherwise instructed will be in line with that of the past, in respect of carrying on as large a business as possible at a small profit and of maintaining the company in the strongest possible position.

The stockholders, no doubt, notice statements which from time to time appear in the public press about proceedings against the company. In respect of no such matter can a definite statement be made at this time, except in relation to the effort of Mr. George H. Earle to hold the company liable by reason of the loan which was made to Adolph Segal. No part of that loan has been repaid. The pending litigation has for its object to recover amounts which can go against his indebtedness to Mr. Earle's Philadelphia Trust Co. There are two suits, one in New York and one in New Jersey. The suit in New York was reached for trial on November 19 last. The company attended with counsel and witnesses ready to proceed. We were met by an application on behalf of the plaintiff for leave to amend the complaint. The case went over to enable a motion to be made for the purpose. After all the publications about the suit which have appeared, the material for which certainly did not come from the company, it is suggestive that the plaintiff was not willing to go to trial. Meantime, Segal has been indicted for obtaining the moneys which he procured from the trust company, but no further proceedings apparently have been taken against him.

"Until the report of the financial condition is made the stockholders may rest assured that the business for the past year has been satisfactory and that the company is in a strong financial condition.

"There is one matter further to which I wish to call your attention, and that is that, in the opinion of the board, to facilitate the business and to promote its better efficiency, it is desirable that the number of directors in the board should be increased from seven to nine. This requires action by the stockholders, and a by-law to that effect will be proposed."

The following resolution was offered by Mr. Henry B. Closson, a stockholder and proxy for other stockholders, and duly seconded:

Resolved, That the directors be and are requested to prepare and have published such statement about the company's business, its assets, and finances as to them shall seem suitable, having reference to all the circumstances to be considered; that they be requested to take action in the matter at their early convenience, and that the subject be and it hereby is referred to them with full authority.

In presenting this resolution to the meeting Mr. Thomas invited a discussion of it. Several of the stockholders took part in the discussion, including Mr. C. A. Spreckels, who asked whether the report would include certain properties which he enumerated, and as to each of which he stated that it was dismantled, or that the building was destroyed, to which Mr. Thomas replied that a note would be made of Mr. Spreckels's wish. The resolution was then unanimously adopted.

Mr. Gilmer Clapp offered the following resolution, which was duly seconded:

Resolved, That the action of the directors at their meeting held January 7, 1908, which reads as follows: "*Resolved*, That the accumulated profits, less the dividends which have been declared up to this time, including the dividends of

January 2, 1908, be reserved as working capital, less such amounts as the directors should see fit from time to time to declare as dividends," be and the same is hereby approved and confirmed by the stockholders.

In presenting this resolution to the meeting Mr. Thomas invited the discussion of it, and several stockholders took part.

The resolution was then adopted, all the stockholders present in person or by their proxies voting in favor of it except Mr. C. A. Spreckels, who voted in the negative.

Mr. Gilmer Clapp then offered the following resolution, which was duly seconded:

Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers and their action generally down to this time.

This resolution was then adopted, all the stockholders voting in its favor except Mr. C. A. Spreckels, who voted no. Mr. Henry B. Closson then offered the following resolution, which was duly seconded:

Resolved, That the by-laws of this company be and they hereby are amended by substituting in the first sentence of the first by-law for the word "seven" the word "nine," so that the first sentence of the first by-law as amended shall read as follows: "The number of directors of the company shall be nine."

The resolution was unanimously adopted.

At 1.02 p. m. the president declared the polls closed and the inspectors made the following report:

"We, the subscribers, inspectors of election, appointed by the stockholders of the American Sugar Refining Co. at their meeting held this 8th day of January, 1908, do report that, having taken oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

"We report that 537,850 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

"For directors to hold office for three years, John E. Parsons, 537,850 votes; George H. Frazier, 537,850 votes. For directors to hold office for one year, Horace Havemeyer, 537,850 votes.

"All of which is respectfully submitted this 8th day of January, 1908.

"W. EDWARD FOSTER.

"GEO. DINKEL."

On motion the meeting adjourned.

Meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, January 14, 1908, at 11.45 a. m.:

On motion the following resolution was unanimously adopted:

Resolved, That access to the safe in the vaults of the New Jersey Title Guarantee & Trust Co., at Jersey City, standing in the name of this company, shall be by any two of the following named, jointly: Charles H. Senff, John Mayer, Arthur Donner, Horace Havemeyer.

On motion one of the vacancies in the board created by the amendment to the by-laws of the company, increasing the number of directors from seven to nine, as adopted by the stockholders at the annual meeting on January 8, 1908, was filled by the election of Mr. Henry E. Niese, to hold office for two years until January, 1910.

On motion the meeting adjourned.

Meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, February 11, 1908, at 11.15 o'clock a. m.:

The attention of the board was called to the annual stockholders' meeting of the Western Sugar Refining Co., of San Francisco, to be held on March 30, 1908, and on motion Messrs. Arthur Donner and C. H. Senff were authorized to give proxies to Mr. W. H. Hannam to vote the company's stock at the meeting, and for the reelection of the present board of directors and officers.

Special meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Wednesday, February 26, 1908, at 11 o'clock a. m.:

On motion the remaining vacancy in the board, created by the amendment of the by-laws of the company, increasing the number of directors from seven to

nine, as adopted by the stockholders at the annual meeting on January 8, 1908, was filled by the election of Henry C. Mott, to hold office until January, 1911.

On motion the meeting adjourned.

Regular monthly meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, April 14, 1908, at 11 o'clock a. m.

On motion the following resolution was unanimously adopted:

Resolved, That access to the safe in the vaults of the New Jersey Title Guarantee & Trust Co., of Jersey City, standing in the name of this company, shall be by any two of the following named, jointly: Charles H. Senff, John Mayer, Arthur Donner, Horace Havemeyer, Ralph H. Thomas.

On motion the president was authorized to sell to Dr. S. C. Hooker an amount not to exceed 500 shares of the preferred stock of The Great Western Sugar Co. at par, with an equal amount of common stock, to be given as a bonus for special services.

On motion the meeting adjourned.

Regular monthly meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Tuesday, January 12, 1909, at 11.30 o'clock a. m.

On motion, it was resolved that the by-laws of the company be amended by the addition of a by-law, to be numbered section 19, and which shall read as follows:

"Neither The American Sugar Refining Co. nor any of its constituent companies shall speculate in the stock either of The American Sugar Refining Co. or any constituent company, or shall buy or sell the same, except in the regular course of the legitimate business of such company, or for the purpose of retirement; and this provision shall be unalterable, save by the vote of the holders of a majority of each and every class of stock of the company voting thereon at a meeting called as provided in the preceding sections of this article."

Special meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Friday, April 23, 1909, at 11 a. m.:

Attorneys H. B. Closson, John B. Stanchfield, James R. Sheffield, also Mr. John B. Johnson, of Philadelphia, who was present in the company's office, made a report on the present situation of the claims by the United States Government against the company for additional duties on raw sugar importations.

On motion, the meeting adjourned.

Special meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Wednesday, January 12, 1910, at 10.30 o'clock a. m.:

Mr. James M. Beck, the general counsel of the company, who was present at the meeting, read a new set of by-laws which had been prepared, and, on motion, they were adopted as the by-laws of the company, and were recommended to the stockholders for approval at the annual meeting.

On motion, the meeting adjourned.

Special meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Friday, February 18, 1910, at 12 o'clock noon:

The annual statement of the assets and liabilities of The American Sugar Refining Co. and its constituent companies and their profit and loss account, as of December 31, 1909, were submitted to the meeting. It showed a reduction of the surplus from last year of \$1,717,606.39, which was approved.

On motion, the meeting adjourned.

Monthly meeting of the board of directors of The American Sugar Refining Co., held at 117 Wall Street, New York, on Thursday, May 12, 1910, at 12 o'clock noon:

Mr. Arthur Donner tendered his resignation as vice president of the company, and, on motion, his resignation was accepted.

Mr. Edwin F. Atkins was nominated to fill the vacancy of vice president caused by the resignation of Mr. Donner, and, on motion, duly seconded, he was unanimously elected vice president of the company.

On motion, the following resolution was adopted:

Resolved, That in the opinion of the board many of the officials of the company ought to be bonded in some satisfactory surety company, and that the president be authorized and requested to appoint a committee which shall have power in the matter and be instructed to give immediate attention to it.

The regular monthly meeting of the board of directors of The American Sugar Refining Co. was held at 117 Wall Street, on Tuesday, June 14, 1910, at 11 o'clock a. m.:

The resignation of Arthur Donner as treasurer of The American Sugar Refining Co., as president of The American Sugar Refining Co. of New York, and as treasurer of The Brooklyn Cooperage Co., to take effect on December 31, 1910, was presented to the board and upon motion, duly made and seconded, the resignations were accepted to take effect upon the appointment of a successor, with the board's expression of regret to be prepared by Counsel James M. Beck.

The resignation of John E. Parsons as a director of the company being presented was, upon motion, duly accepted, with the board's expression of regret to be drawn up by counsel, Mr. Beck.

The resignation of Charles R. Helke, secretary of the company being presented was, upon motion, duly accepted by the board, to take effect upon the appointment of a successor.

The regular monthly meeting of the board of directors of The American Sugar Refining Co. was held at 117 Wall Street, New York, on Tuesday, July 12, 1910, at 11 o'clock a. m.

The president in his discretion was authorized to sell up to 5,000 shares of the Michigan Sugar Co.'s common stock at not less than 115. On motion the meeting adjourned to meet on July 19.

Meeting of the board of directors of The American Sugar Refining Co. was held at 117 Wall Street, New York, on Tuesday, July 19, 1910, at 11 o'clock a. m.

On motion the following resolution was unanimously passed:

Resolved, That in view of the retiring secretary's long services to the company, and with the understanding that he will assist the new secretary this day elected in his new duties until January 1, 1911, the monthly salary heretofore paid to the retiring secretary shall continue to be paid until December 31, 1910, inclusive.

On motion the following resolution was passed (Horace Havemeyer voting in the negative):

Resolved, That Joseph E. Freeman be, and he is hereby, elected secretary of this company, at an annual salary of \$5,000. This compensation to cover services in connection with The American Sugar Refining Co. of New York, the Brooklyn Cooperage Co., and any other subsidiary or auxiliary company.

On motion, the meeting adjourned.

A special meeting of the board of directors of The American Sugar Refining Co. was held at 117 Wall Street, New York, on Tuesday, September 20, 1910, at 12 o'clock noon.

Upon motion, duly made and seconded, the by-laws of the company were amended to read as follows:

BY LAWS OF THE AMERICAN SUGAR REFINING Co.

STOCKHOLDERS.

First. All meetings of the stockholders shall be held at the registered office in New Jersey.

Second. A majority of the stock issued and outstanding represented by the holders thereof, in person or by proxy, shall constitute a quorum at all meetings of the stockholders.

Third. The annual meeting of the stockholders shall be held on the second Wednesday in March in each year, when they shall elect directors to fill any vacancies existing or occurring under the by-laws.

Fourth. Notice of the time and place of the annual meeting of the stockholders shall be published by the secretary not less than 10 days previous to the day appointed in a daily newspaper published in each of the cities of Boston, New York, and Jersey City.

Fifth. If at such annual meeting a majority of the stock shall not be represented the stockholders present shall have power to adjourn to a day certain and notice of the adjourned meeting shall be published by the secretary in the same manner and for the same time as the annual meeting, but if a majority of the stock be present in person or by proxy they shall have power from time to time to adjourn the meeting to any subsequent day or days, and no notice of the adjourned meeting need be given.

Sixth. Special meetings of the stockholders may be called at any time by the directors, provided that notice of the time and place of such meeting shall be published by the secretary in the same manner as for the annual meeting.

DIRECTORS.

Seventh. The number of directors of the company shall be 11. The directors shall be chosen by the stockholders at the annual meeting. They shall be divided into three class, in accordance with the charter of the company.

Eighth. The board of directors shall have the management of the business of the company and may, subject to the provisions of the statute of the charter and of these by-laws, exercise all such powers and do all such things as may be exercised or done by the corporation.

Ninth. Regular meetings of the directors shall be held each month on such days and at such hour as the directors may appoint.

Special meetings may be called by the president or in his absence by the vice president or by any two of the directors, upon notice to the others, which may be either personal or in writing, mailed to or delivered at their several residences or places of business.

Tenth. At all meetings of the directors the chairman of the board of directors, if any such chairman be elected, or in his absence the president, or in the absence of all three of them, such director as the directors present may elect for that purpose shall preside. A majority of all the directors shall be necessary to constitute a quorum.

Eleventh. The directors may hold their meetings and have an office and keep the books of the company, except the stock and transfer books, outside of the State, at such place or places as they shall from time to time appoint.

EXECUTIVE COMMITTEE.

Twelfth. There shall be an executive committee consisting of seven directors. Appointments to the committee shall be made by the board at the first meeting of the directors following the annual meeting. They shall serve for one year, or until their successors are duly appointed.

The executive committee during intervals between the meetings of the board shall, subject to such action as the board shall by general or special resolution from time to time take have the management and control of the business of the company, except in so far as concerns matters the management and control of which by law is exclusively vested in the directors.

OFFICERS.

Thirteenth. At the first meeting of the directors after the annual meeting of the stockholders one of their number shall be chosen president and one vice president. A secretary, a treasurer, and a comptroller shall also be chosen by the directors. The directors may also from time to time appoint such other officers, agents, or factors with such powers as they consider necessary. No officer except the president and the vice president need be a director.

PRESIDENT.

Fourteenth. The president shall preside at all meetings of the stockholders. He shall have the general supervision of the business of the company. He may on behalf of the company sign and indorse all checks, drafts, notes, and orders for the payment of money, and he may receive and receipt for moneys for the company and shall sign all certificates of stock.

VICE PRESIDENT.

Fifteenth. The vice president shall, in the absence of the president, preside at all meetings of the stockholders and generally perform the duties of the president, sign and indorse checks, drafts, notes, and orders for the payment of money, and he may receive and receipt for moneys for the company.

CHAIRMAN OF THE BOARD OF DIRECTORS.

Sixteenth. The board of directors may elect a chairman of the board of directors. He shall have such powers and perform such duties as may from time to time be assigned to him by the board of directors or the executive committee. He shall be a member of the executive committee.

SECRETARY.

Seventeenth. The secretary shall give notices of all meetings. He shall attend the meetings of the board of directors, the stockholders, and executive committee and shall keep the minutes of these meetings. He shall have the charge of the seal of the company and the corporate minute books, and shall perform all the duties incidental to his office.

In the absence or inability of the president the secretary may, "as acting president," sign certificates of stock in his place and stead.

TREASURER.

Eighteenth. The treasurer shall have charge of all the funds, securities, books (except the minute books), and accounts of the company, and in cooperation with the president shall have charge of its financial management. He shall deposit the funds and securities of the company in such depositories as may be designated by the board of directors or the executive committee. He shall sign on behalf of the company all promissory notes and checks upon its funds, except checks drawn for the payment of dividends, which dividend checks and the acceptance on behalf of the company of drafts and bills of exchange and also receipts for moneys paid to the company, may be signed either by the treasurer or by such other officer as may be designated by the board of directors or the executive committee. Any indorsement required for the deposit or collection of checks, notes, and other obligations belonging to the company may be made by the treasurer or by such person as he may designate for that purpose.

The treasurer shall sign all certificates of stock.

The treasurer shall give a bond in the sum of \$100,000, conditioned for the faithful discharge of his duties.

The board of directors may appoint one or more assistant treasurers with such powers as the board of directors or the executive committee may delegate to them. Each of the said assistant treasurers shall give such bond as the board of directors or the executive committee shall direct.

In the absence or inability of the treasurer an assistant treasurer or such other officer as may be appointed by the board of directors may sign certificates of stock as "acting treasurer" in his place and stead.

COMPTROLLER.

Nineteenth. The comptroller, subject to the approval and direction of the treasurer, shall have charge of the accounts of the company and the adoption of the forms and the manner of keeping the books and accounts in all departments; he shall see that the system adopted is enforced and maintained. He shall, subject to the same approval and direction, cause the accounts of the officers and agents of the company charged with the receipt and disbursement of money to be examined from time to time, and shall verify the assets reported by them. He shall, when requested by the president, the treasurer, the board of directors, or the executive committee, furnish a statement covering all or any part of the matters in his charge and perform such other duties as from time to time may be assigned to him by the board of directors or the executive committee.

VACANCIES.

Twentieth. When a vacancy shall occur among the directors or officers by death, resignation, removal, or otherwise, it shall be filled by the directors for the remainder of the year.

Any director may resign by filing a written notice of his resignation with the secretary.

TRANSFER OF STOCK.

Twenty-first. The shares of the stock of the company shall be transferable on the books of the company, and not otherwise, by the person to whom they shall have been issued, or his personal representatives in person or by attorney, but only upon surrender of the certificates previously issued.

DIVIDENDS.

Twenty-second. The board of directors may from time to time in its discretion declare dividends from the surplus or net profits of the company. Such dividends when and if declared shall be payable quarterly on such dates as may be fixed by the board.

WORKING CAPITAL.

Twenty-third. The directors shall not be required in each year after reserving over and above its capital stock paid in as a working capital for said corporation such sum, if any, as shall have been fixed by the stockholders to declare a dividend among its stockholders of the whole or any portion of its accumulated profits exceeding the amount so reserved and pay the same to such stockholders; but the board of directors may fix a sum to be set aside or reserved over and above the company's capital paid in as a working capital for the company and from time to time they may increase, diminish, and vary the same in their judgment and discretion.

STOCK IN CONSTITUENT COMPANIES.

Twenty-fourth. Neither the American Sugar Refining Co. nor any of its constituent companies shall speculate in the stock either of the American Sugar Refining Co. or any constituent company or shall buy or sell the same except in the regular course of the legitimate business of such company or for the purpose of retirement, and this provision shall be unalterable save by the vote of the holders of a majority of each and every class of stock of the company, voting thereon at a meeting called as provided in the preceding section of these by-laws.

EXAMINATION OF BOOKS.

Twenty-fifth. The board of directors from time to time shall determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the corporation or any of them shall be opened to the inspection of the stockholders; and no stockholder shall have any right of inspecting any account or book or document of the corporation except as conferred by statute or authorized by the board of directors or by a resolution of the stockholders.

AMENDMENT TO BY-LAWS.

Twenty-sixth. The board of directors may alter or amend these by-laws at any time provided 10 days' notice in writing shall be given to each of the directors of the proposed amendment. The amended by-laws must be submitted to the stockholders for ratification and confirmation at their next annual meeting.

The regular monthly meeting of the board of directors of the American Sugar Refining Co. was held at 117 Wall Street, New York, on Tuesday, October 11, 1910, at 11 o'clock a. m.

Upon motion duly made and seconded the following resolution was unanimously adopted:

Resolved, That the president of the company be authorized to sell on the best terms obtainable, but at not less than par, 5,000 shares of the capital stock of the Michigan Sugar Co.

Upon motion duly made and seconded, it was unanimously

Resolved, That the comptroller be and he hereby is instructed to transfer the following bonds at their book value from the general investment account to a new account to be called the "Insurance fund investments," \$1,000,000 (3½) Chicago, Burlington & Quincy:

\$1,000,000 (4) American Telephone & Telegraph Co.

\$700,000 (3) Chicago & Alton refunding gold.

\$500,000 (4) Northern Pacific—prior lien.

\$500,000 (4) New York Gas, Electric Light, Heat & Power Co. (collateral trusts).

\$500,000 (4) Atchison general mortgage.

\$250,000 (4) Baltimore & Ohio first mortgage.

\$250,000 (3½) New York Central & Lake Shore.

\$75,000 (3½) New York Central & Michigan Central.

\$1,000,000 (3½) New York City Corporate Stock.

\$500,000 (3½) New York City Corporate Stock (nonexempt).

Upon motion the meeting adjourned.

The regular monthly meeting of the board of directors was held at 117 Wall Street, New York, on Tuesday, December 13, 1910, at 11 o'clock a. m.

The resignations of Mr. Arthur Donner and Mr. Horace Havemeyer, as directors, were presented and authorized.

Mr. Charles H. Allen and Mr. Edwin F. Atkins were elected to succeed Messrs. Donner and Havemeyer on the executive committee.

The president reported that he had given an option to Mr. Morey to buy 3,000 shares of stock of the Great Western Sugar Co. at par and accrued dividend, the option to expire April 1, 1911.

A special meeting of the board of directors of the American Sugar Refining Co. was held at 55 Wall Street on Thursday, December 22, 1910, at 5 o'clock p. m.

Mr. James M. Beck, the general counsel of the company, attended the meeting and presented the report of himself and Mr. W. Wickham Smith in the matter of the claim of the Government for drawbacks held to have been fraudulently collected at the port of New York. He stated that he and Mr. Smith advised the settlement of the claim of the Government for a sum of \$700,000. The report of Mr. Beck, the general counsel, and of Mr. Smith, special counsel, in the matter of the claim of the Government for drawbacks, having been duly considered by the board, it was

Resolved, That Mr. James M. Beck and Mr. W. Wickham Smith be authorized to adjust the claim of the Government for drawbacks at the port of New York at a sum not to exceed \$700,000, the adjustment to be made in such manner as to them may seem expedient.

The regular monthly meeting of the board of directors was held at 117 Wall Street, New York, on Tuesday, January 10, 1911, at 11 o'clock a. m.

Upon motion duly made and seconded it was unanimously

Resolved, That Mr. E. T. Atkins or Mr. Charles H. Allen be authorized to vote or to give the proxy of the company upon stock owned by it at the annual meeting of the National Sugar Refining Co., to be held on January 11, 1911.

Upon motion duly made and seconded, it was unanimously

Resolved, That in consequence of the resignation of Mr. Horace Havemeyer as director of this company, the authority to visit the safe deposit vaults of the company heretofore given to him by resolution of date of September 13, 1910, is hereby revoked, and that Mr. Joseph E. Freeman is hereby designated as his successor and is authorized to accompany the treasurer of the company to the vaults of the company in the New Jersey Title Guarantee and Trust Company, in accordance with the terms of the said resolution of September 13, 1910.

Further resolved, That Mr. Freeman be required to furnish a proper bond to the company.

The treasurer presented a communication from Mr. Charles B. Warren, offering to purchase 2,000 shares of the preferred stock of the Michigan Sugar Co. at \$95 a share. On motion of Mr. Carr, a resolution was adopted that it was deemed to be the consensus of opinion of the board that the company does not at this time sell any of its holdings of preferred stock in beet-sugar companies.

The secretary presented the resignation of Mr. W. B. Thomas as president of the company.

Upon motion duly made and seconded the following resolution was adopted:

Resolved, That the resignation of Mr. Thomas be accepted with regret, and the vice president of the company be requested to convey to Mr. Thomas the appreciation of the board of directors of his services as president of the company.

Upon motion duly made and seconded, Mr. W. B. Thomas was elected chairman of the board of directors of the company.

Upon motion of Mr. Edwin S. Marston, duly seconded, the following resolution was unanimously adopted:

Whereas, it has been charged by the United States in its bill of equity, filed against this company and others, that the common stock of the National Sugar Refining Co., in which the American Sugar Refining Co. is a stockholder, was illegally issued to and for the benefit of the late H. O. Havemeyer, it is therefore

Resolved, That a committee of three shall be appointed by the vice president who, in conjunction with and under the advice of the general counsel of the company, shall investigate and report to the board of directors as soon as possible what claims, if any, this company or any company in which the American Sugar Refining Co. is interested as a stockholder, may have against the estate of the said H. O. Havemeyer by reason of his past transactions with this company as president and one of its directors, and the said committee is given full authority to employ such assistants as may be necessary to make full investigation and as prompt a report as is reasonably practicable.

The vice president appointed the following to serve upon this committee: Edwin S. Marston, chairman; Charles H. Allen, and Samuel Carr.

A special meeting of the board of directors was held at 117 Wall Street, New York, on Wednesday, February 1, 1911, at 10.30 o'clock a. m.

It was voted that the treasurer of the company be authorized to sell all or any part of 7,000 shares of the common stock of the Michigan Sugar Co., the market price, but at not less than par.

The regular weekly meeting of the board of directors of the American Sugar Refining Co. was held at 117 Wall Street, New York, on Tuesday, February 14, 1911, at 11 a. m.

The following resolution was adopted:

Resolved, That the sum of \$100,000 be placed at the disposal of the treasurer to be used for advertising purposes.

It was resolved that the chairman of the board appoint a committee of five to consist of himself, the treasurer and the secretary of the company, and two others to consider and report to the board upon a system of pensions for the employees of the company.

A meeting of the board of directors was held at 117 Wall Street, New York, on Tuesday, April 11, 1911 at 11 o'clock a. m.

The officers of the company were authorized to give an option to Mr. Morey to purchase 5,000 shares of the common stock of the Great Western Sugar Co., at \$60 per share.

Upon motion the meeting adjourned.

A special meeting of the board of directors was held at 117 Wall Street New York on Tuesday, April 25, 1911 at 12 o'clock noon.

The action of the officers of the company in closing out the loan to the Compania Mercantil de Cuba was ratified and approved.

The officers of the company were authorized to sell the stock owned by the company in the Insular Improvement Co., for the sum of \$250,000.

On motion the meeting adjourned.

A meeting of the board of directors was held at 117 Wall Street, New York, on Tuesday May 9, 1911 at 11 o'clock a. m.

The treasurer reported that he had been unable to sell all or any part of 7,000 shares of the common stock of the Michigan Sugar Co. at not less than par, pursuant to a resolution adopted on February 1, 1911.

Upon motion duly made and seconded, the following resolutions were adopted: Dr. Hooker voting in the negative;

Resolved, That the treasurer of the company be authorized to sell at not less than \$75 per share 1,000 shares of the common stock of the Michigan Sugar Co.

Resolved, That the treasurer be authorized to assign, indorse and transfer 1,000 shares of the common stock of the Michigan Sugar Co. on the books of that company, either in person or by attorney, and do all things necessary to effect the transfer of the stock.

ANNUAL STOCKHOLDERS' MEETING, JANUARY 13, 1909.

Minutes of the annual meeting of the stockholders of the American Sugar Refining Co. held at the office of the company in Jersey City, N. J., on Wednesday, January 13, 1909, at 12 o'clock noon, pursuant to the following notice, which had been duly advertised and also mailed to each stockholder:

THE AMERICAN SUGAR REFINING Co.,
Jersey City, N. J., December 28, 1908.

The annual meeting of the stockholders of the American Sugar Refining Co., for the transaction of such business as shall come before the meeting, and for the election of three directors, will be held in the office of the company at the corner of Washington and Essex Streets, Jersey City, on Wednesday, January 13, 1909, at 12 o'clock noon.

C. R. HEIKE, *Secretary*.

President W. B. Thomas called the meeting to order and Secretary C. R. Heike acted as secretary of the meeting.

On motion, the meeting proceeded to the election of three directors in place of John Mayer, Arthur Donner, and Horace Havemeyer, to serve for three years, and until their successors are elected and qualify.

W. Edward Foster and George Dinkel were nominated and appointed inspectors of election, and they took the following oath:

STATE OF NEW JERSEY, *County of Hudson*, ss:

George Dinkel and W. Edward Foster, sworn upon their respective oaths, do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will, to the best of their skill and

ability, conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

GEORGE DINKEL,
W. EDWARD FOSTER.

Sworn and subscribed before me this 13th day of January, 1909.

JOHN F. MURPHY,
Notary Public, Jersey City.

The polls were declared open at 12.02 o'clock p. m., and the balloting proceeded.

There were present in person, or by proxy, holders of 277,233 shares of common stock and 239,880 shares of preferred stock.

President Thomas presented and read his annual statement, as follows:

The year of 1908 in the sugar business has been one of rather unusual trade conditions. Starting early in the year with relatively high prices for raw sugar, which continued for some months, the market gradually declined and remained at more normal prices during the very active season. The difference between the price of raw and refined sugar has been about normal.

The directors believe that in view of existing conditions it would be most unwise to weaken our financial position by any reduction in our cash resources by increased dividends at the present time. We have, as our statement showed, a considerable surplus, not larger, however, than in the opinion of the directors the requirements of the company demand; in any event, whatever surplus there is belongs to the stockholders. Last year during the financial panic, our financial resources were needed and were profitably employed, were essential to the protection and advancement of our various interests, and there is no knowing when the same conditions may not arise again, and the company must be prepared to meet them. As stated in our report to the stockholders last April, the success of the company depends materially upon its being prepared at all times to meet such emergencies as are presented by the nature of the business and the large transactions involved.

In regard to the tariff discussion, the only contribution to it by the American Sugar Refining Co. was the filing of a letter with the Ways and Means Committee, and also a brief tending to show that the protection given to refiners is very slight, but most necessary. We did not enter into the relative merits of the respective claims for protection of the cane and beet sugar interests. The letter stated that the company is owned by small stockholders, averaging less than 50 shares to a person, and as the hearing developed some doubt as to the interest of the American Sugar Refining Co. in the beet industry of the United States, the opportunity was taken to state that the company did have an interest in the beet-sugar business. Most of the companies in which we are interested we do not control; we are merely shareholders with the local interests. The company went into the beet-sugar industry in order to keep abreast with the development of the industry in this country, and to lend to it such assistance, financial and technical, as was in its possession.

I take this opportunity to say that there seems to be a general misapprehension in regard to the protection on refined sugar. It has been assumed by many that the refiner received the protection given by the duties on raw sugar. This is incorrect. This duty is the protection to the American cane and beet sugar growers. The refiners' protection is very slight, and is substantially no more than the one-eighth of a cent per pound, which under the Dingley tariff was considered small enough after a most thorough investigation of the subject. The general impression in regard to this matter is so erroneous that it seems fitting at this time to call special attention to it.

The opportunity is also taken at this time to state that the company was not a party with any competitor as regards the limiting of production or the fixing of prices.

In this connection we would further add that a statement had been made during the hearing of the Ways and Means Committee to indicate that the company oppressed the Louisiana sugar interests in paying them less than the market price for their product. The inference is incorrect.

This market is open to every buyer, but the American Sugar Refining Co. is the largest buyer of sugar in New Orleans, and being always in the market, can at times buy its raw sugars somewhat cheaper than others. One reason for the apparent difference in prices between New Orleans and New York is that sugar comes on the market at a season of the year when the consumption

is light, and it all must be marketed within a comparatively short time, the planters not having sufficient facilities to carry the crop themselves. The American Sugar Refining Co. in buying a large quantity of sugar at a time must itself carry it and consequently bear the expense of handling, insurance, storage, and loss in value which comes from sugars in store for any considerable period. As before stated the market is open to other refiners, and large sales have been made to them this year.

There have appeared in the press some statements to the effect that there has been discrimination also against the port of Philadelphia by the American Sugar Refining Co., based largely on the fact that customs receipts from sugar were smaller in comparison with some other years with the customs receipts from sugar at other ports.

There has been no discrimination against any port. It at times suits our convenience to send sugar to one port or another according to their supplies and their facilities at the time for caring for them. As it happened, at the period referred to, it seemed advantageous to the company to ship a considerable quantity of Hawaiian sugars which pay no duty to Philadelphia. As the statements in reference to New Orleans and Philadelphia have been given considerable publicity the directors thought it might be interesting to the stockholders to know that these statements were based upon a misapprehension of the facts.

The attention of stockholders has no doubt been called to two legal proceedings against the company, references to which have been made in the public press. It is suitable that to the stockholders a few words of explanation shall be made about them.

Shortly before his death our late president, Mr. Havemeyer, learned that the Government claimed, or intended to claim, that by a fraudulent contrivance sugar landed at the dock in Williamsburg had been weighed at less than its true weight, and that the company had correspondingly benefited by a saving of duty. Mr. Havemeyer immediately caused the Secretary of the Treasury and the United States district attorney in Brooklyn to be informed that the company would cooperate in an investigation to ascertain whether there was any foundation for the claim, and that for the purpose it offered any desired examination of its books and papers. Subsequently, and from that time on, the company has caused the representatives of the Government to be informed that if it could be established that there had been any failure on the part of the company to make full payment of duties, never mind what might be the cause, it would make payment. The Government caused employees of the company to be indicted, availing for the purpose of such use of the company's books and papers as it desired. It has since availed of the company's offer to make a further examination of its books and papers.

One of the indictments, which charged the commission of the offense and an attempt on the part of the employee to bribe officers of the Government from its prosecution, came on to be tried in March last. It resulted in an acquittal. From that time the other employees have been trying to bring the cases against them to trial, complaining of the injustice of keeping criminal charges hanging over them, but without success, the Government having in each case procured a postponement of the trials. Notwithstanding this, in September last the Government brought a suit against the company for the recovery of \$1,500,000 claimed as unpaid duties, and later brought forfeiture suits for the recovery of the value of sugar to the amount of \$2,311,715.47, upon which it was claimed that the duties were unpaid. A few days ago notice came from the United States attorney that the claim of \$2,311,715.47 was reduced to \$287,000. The stockholders may be interested to know that during the period in question the company has paid in duties nearly three hundred millions of dollars, and the claim of the Government is one-half of 1 per cent of that amount.

The stockholders are also aware that Mr. George H. Earle, Jr., caused to be commenced against the company a suit in the name of the Pennsylvania Sugar Refining Co. for the recovery of \$30,000,000 upon the claim that the company had lost \$10,000,000 of profits which it would have made but for the alleged action on the part of our company, which prevented its running. The claim was based upon provisions of the Sherman antitrust law. The company claimed that granting everything that Mr. Earle alleged no case was made under the Sherman antitrust law. Admitting, therefore, for the purposes of the argument, the allegations made by Mr. Earle, the company caused a motion to be made to dismiss his suit. It was granted by Mr. Justice Holt. An appeal was

taken to the circuit court of appeals. That court held that a decision of the Supreme Court of the United States, in a case which concerned the company, upon the faith of which Mr. Justice Holt had made his decision, did not hold, and it reversed the decision, permitting Mr. Earle to prove, if he can, the allegations of his complaint. Subsequent to the commencement of the suit referred to, Mr. Earle, as receiver of the Pennsylvania Co., in his own name, upon the same allegations, brought a suit in New Jersey. It was tried in January last.

On the trial Mr. Earle undertook to prove what he had alleged there and in his suit here. The court, upon the facts, decided against him, holding that the Pennsylvania Co. had never been in a condition to run, was unable to run, and had lost no profits. It dismissed the case. Mr. Earle has taken an appeal from this decision to the court of errors and appeals of New Jersey. Unless it is reversed, it of itself establishes adversely to him the case upon which his suit is based in New York.

Quite possibly also the stockholders have noted items in the newspapers about a so-called cartage allowance proceeding before the Interstate Commerce Commission. This was a case which was inaugurated by the commission to prevent the railroads of New York from paying drayage from the refineries to the cars, as plainly published in the tariff of the railroads. The drayage was actually performed by the company in all cases, and was paid to all other sugar refineries alike.

The company was not a party to the proceedings, and the proceedings were a result of a controversy between the carriers on one hand and the commission on the other as to the proper way of presenting their tariffs, and the company in shipping its sugars had of necessity to handle its freight payments in the manner in which the tariffs were made. The result of the decision has caused great uncertainty as to the freight rates, and will entail on the company expenses either for additional railroad facilities or loss of freight in the distribution of its sugar. The railroads are contemplating an appeal which it is hoped will make the situation more clear.

In accordance with the vote passed at the last annual meeting, at the request of the management, requesting the directors to consider the matter of making an annual report, a report was sent to the stockholders April 1, which will be followed by one similar in form, to be mailed at the corresponding date this year. This does not mean that more detailed statements may not be given in later reports but the directors think that the form given out at present is all that can reasonably be demanded, and all that the stockholders wish—in fact many have so expressed themselves—and they also prefer to leave this matter of details in the report to the discretion of the directors, but anything in the way of a report which is desired by them as a body the directors will gladly give, and should laws be enacted demanding any statements fuller than in the opinion of the directors may be desirable for the interest of the stockholders, or more in detail than they as a body may demand, the directors will cheerfully comply with such legislation.

The fiscal year of the company closes on the Saturday evening nearest to December 31; that of 1908 closed on January 2, 1909. The magnitude of the company's business and its complicated accounts make it impossible to get ready a report of the year for submission to the stockholders at the annual meeting in January.

In accordance with the vote passed at the last annual meeting the number of directors has been increased from 7 to 9, with benefit to the company. Technical conditions of the refineries have been improved and the refineries themselves are in better shape than a year ago, and further improvements are under consideration to meet future demands and keep abreast of further new developments in the industry.

The new refinery which has been under construction in New Orleans for some time past, we hope will be ready to commence operations about March of this year. It has been erected in the most favorable location obtainable in the vicinity of New Orleans. This refinery has been equipped with the latest machinery and the most modern apparatus for refining sugar in the most economical manner, and we hope to obtain from its operation the most satisfactory results. It has ample dock facilities and railroad connections through the New Orleans Terminal Co. with the railroads entering the city.

It may also again be not inappropriate to call attention to the fact that the total number of the holders of the common and of the preferred stock of the company is 18,720, and their average holdings 48½ shares per stockholder.

As requested by the New York and Boston stock exchanges and many stockholders, the company has decided to keep its transfer books open during the dividend period and to close them only once a year for the 20 days preceding the annual stockholders' meeting.

The American Sugar Refining Co. again gratefully acknowledges the gift of the Sugar Trade of New York of the tablet and relief bust of Mr. H. O. Havemeyer, which has recently been placed in the company's building at 117 Wall Street.

In reference to the prospects of the coming year all that can at present be said is that beet refined sugar has gone into consumption earlier than usual this year, and so will interfere less with the sale of refined from cane. The new year starts with light stocks in the hands of the trade. Present indications are favorable to a large consumption of refined sugar during the coming season and to a well-founded hope for a prosperous year.

The following resolution was offered and read by Mr. Charles O. Brewster:

"Resolved, That the action of the directors at their meeting held January 12, 1909, which reads as follows:

"Resolved, That the accumulated profits less the dividends which have been declared up to this time, including the dividends of January 2, 1909, be reserved as working capital, less such amounts as the directors shall see fit from time to time to declare as dividends,'

"be, and the same is hereby, approved and confirmed by the stockholders."

On motion, duly seconded, this resolution was unanimously adopted.

Mr. Charles O. Brewster offered and read the following resolution:

"Resolved, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its officers and their action generally down to this time."

On motion, duly seconded, this resolution was unanimously adopted.

At 1.02 o'clock p. m. the president declared the polls closed, and the inspectors made the following report:

"We, the subscribers, inspectors of election, appointed by the stockholders of the American Sugar Refining Co., at their meeting held this 13th day of January, 1909, do report that having taken oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

"We report that 517,113 votes were cast and that the following persons received the number of votes set opposite their respective names, to wit:

"For directors to hold office for three years: John Mayer, 517,113 votes; Arthur Donner, 517,113 votes; Horace Havemeyer, 517,113 votes.

"All of which is respectfully submitted this 13th day of January, 1909.

"GEORGE DINKEL.

"W. EDWARD FOSTER."

On motion the meeting adjourned.

C. R. HEIKE, *Secretary*.

ANNUAL STOCKHOLDERS' MEETING OF THE AMERICAN SUGAR REFINING CO., JANUARY 12, 1910.

Minutes of the meeting of the stockholders of the American Sugar Refining Co., held at the office of the company in Jersey City, N. J., on Wednesday, January 12, 1910, at 12 o'clock noon, pursuant to the following notice which had been duly advertised and also mailed to each stockholder:

"THE AMERICAN SUGAR REFINING CO.,

"*Jersey City, N. J., December 28, 1909.*

"The annual meeting of the stockholders of the American Sugar Refining Co. will be held in the office of the company, at the corner of Washington and Essex Streets, Jersey City, on Wednesday, January 12, 1910, at 12 o'clock noon, for the election of directors of the company and the transaction of such business as shall come before the meeting.

"C. R. HEIKE, *Secretary*."

President W. B. Thomas called the meeting to order and Secretary C. R. Heike acted as secretary of the meeting.

The president presented and read his annual report, as follows:

REPORT OF THE BOARD OF DIRECTORS OF THE AMERICAN SUGAR REFINING CO. TO THE STOCKHOLDERS.

The directors herewith submit their report for the year 1909. While the assets and business of your company are the property of its stockholders, yet your directors recognize the legitimate interest which the public has in a business organization which deals to a large extent in a necessity of life. A further motive for this report is found in the fact that it seems to be the only method by which this company can correct the wide-spread misrepresentation and unjust criticism to which it has been subjected. A business corporation can have no asset more valuable than the good will of the public, and that good will can best be gained by explaining to the public the nature of any existing misapprehension as to its character and operations.

I. Ownership of company.

It is commonly supposed that the shares of your company are owned by a comparatively few residents of New York City. The fact is that the average holding of stock by any individual is less than 50 shares. The majority of the stock of your company is held in New England, and its value and stability as an investment is best evidenced by the fact that your shares are largely held by executors, administrators, trustees, and other fiduciaries. Its stable value as an investment is also attested by the fact that there have been no substantial changes in the stockholders for a very long period. The number of our stockholders of common and preferred stock is 18,484.

In view of the preponderant holding of stock by New England shareholders, you will be asked to increase the board of directors by two members, and for these positions the names of Mr. Edwin F. Atkins and Mr. Samuel Carr, both of Boston, and both well and favorably known in business circles, will be submitted for your approval. Another vacancy in the board has been created by the declination of Mr. Charles H. Senff to serve another term, and to fill his place a number of influential stockholders have suggested the selection of Mr. E. S. Marston, the president of the Farmers' Loan & Trust Co., of New York, one of our oldest and most conservative financial institutions. Among other changes, it may be noted that your board has selected James M. Beck, formerly Assistant Attorney General of the United States, as the new general counsel for your company.

II. This company not a monopoly.

Another misapprehension, to which it seems advisable to call attention, is the common belief that your company exercises a monopoly in the sugar trade. When in 1894 the Supreme Court of the United States authoritatively decided in *United States v. Knight et al.*, 156 U. S., 1, that your company was not a monopoly, under the Sherman antitrust law, this company had a much larger percentage of such trade, but, with the intense and ever increasing competition which has since prevailed, the figures of Messrs. Willett & Gray, the recognized sugar statisticians, show that your company does not now refine more than 43.5 per cent of the sugar consumed in this country, and this notwithstanding the fact that the meltings of your company have been well maintained.

There are in the United States three essentially different classes of establishments producing sugar; firstly, the refineries which draw their raw sugar almost entirely from foreign countries and the dependencies of the United States; secondly, the beet-sugar factories, which make white granulated sugar directly from beets; and, thirdly, the factories of Louisiana and the South, which extract sugar from cane grown locally. Your company is not interested in any way whatever in this third class of establishments. Of the 21 cane sugar refineries with an estimated maximum capacity of daily meltings of 33,000,000 pounds, your company operates 7 refineries and has an interest (in each case less than a majority) in 4 refineries, and it has no interest whatever in 10 refineries. Between these independent refineries and those operated by your company, the competition is continuous and severe. While the number of your refineries in operation is less than at times in the company's history, due to the consolidation of some refining plants, yet the increased capacity of our other refineries has caused a substantial increase in the actual capacity of your cane refineries. This increased capacity, however, can not at present be fully utilized,

as the total capacity of all the refineries of the United States is much in excess of consumption. The consumption for the year 1909 shows approximately an increase of 2.25 per cent over the previous year. The meltings of the American Sugar Refining Co. show an approximate increase of 1.17 per cent over 1908.

Of the 64 factories which produce sugar from beets, with an estimated aggregate daily capacity of 47,700 tons of beets and a period of operation of from 75 to 100 days each year, your company is interested in 33 factories, with a daily slicing capacity of about 26,500 tons, and has no interest in 31 factories.

III. *Tariff duties on sugar.*

There also exists a widespread belief, which, however, is a mistaken one, that the refining of sugar derives a large and excessive benefit from protective duties.

All the raw and refined sugar imported into the United States from foreign countries is subject to duty. In this manner the Government derives a very large revenue, and incidentally the domestic cane and beet industry is benefited. This company alone has paid to the Government in duties on importations in 14 years the large sum of \$335,000,000.

Inasmuch, however, as the relative duty on raw and refined sugar is so adjusted as to leave to the refiner a margin of protection of only 7½ cents per 100 pounds of refined sugar, or, barely more than one-sixteenth cent per pound, it is evident that contrary to the general impression, the protection to the refining industry is exceedingly small.

The duty paid on raw sugar imported into this country is substantially refunded by the Government on any equivalent quantity of refined sugar produced therefrom which is exported. A misunderstanding in regard to this has given rise to unfavorable criticism, as the company appears to sell sugar for export at a price lower than that charged the domestic consumer. This is not the case. The company receives substantially the same price for its product whether sold abroad or at home. Granulated is now quoted for export at 8.10 cents against a domestic price of 4.90 cents per pound. This difference is caused by the refund by the Government of the larger part of the duty previously paid upon the raw sugar, to encourage the exportation of a product manufactured in this country, and this refund is in pursuance of the recognized public policy of encouraging the exportation of products produced by American labor and capital.

This company has no interests whatever, either directly or indirectly, in Cuba, Porto Rico, Hawaii, the Philippine Islands or in any foreign country; it does not share in the advantages that owners of sugar plantations in these countries may have in sending sugar to this market.

We express no opinion as to whether it is sound public policy to stimulate the production of beet sugar and of domestic cane sugar by the present duties. These questions of policy are for the determination of Congress, and the only purpose of this reference to the fiscal duties relative to your business is to emphasize the fact that its prosperity does not depend upon high protective duties, and that the margin between the duty on the raw material and the duty on the refined sugar is so slight, being as previously stated, only 7½ cents per 100 pounds, that it has no appreciable effect in artificially enhancing the price of the refined product by the exclusion of foreign importations.

IV. *Relative cost of sugar.*

At a time when the cost of nearly all the necessities of life is steadily and persistently advancing and manufacturing expenses generally are materially growing, it is with much satisfaction that your attention is called to the price of granulated sugar, which has remained very nearly stationary during the past 10 years, and is actually less to-day than in 1900, such changes as have occurred being in a slightly downward direction. There has, moreover, been no increase in the margin between the price of raw and refined sugars, which has remained on average at about 87 cents per 100 pounds. It is thus noteworthy that the entire refining business is done at an expense of a fraction of a cent per pound. This fraction includes not only the cost of refining, but the losses involved in the refining process, and in transportation, the wear and tear and depreciation on the expensive machinery used, the cost of the packages in which the sugar is delivered to the market, and finally, the refiner's profits. Few,

if any, necessities of life, are sold at such a slight margin of profit and few can show with increased cost of materials and labor during the last decade, a reduced price. This is a striking illustration of the truth, to which public attention has recently been forcefully directed, that the employment of large capital in the economical production of a commodity often results in a distinct benefit to the consumer.

The figures appended have been compiled from Willett & Gray's Weekly Statistical Trade Journal, and give in detail the average prices of raw sugar and of granulated sugar in New York for the past 10 years in cents per pound, together with the difference in price between raw and refined sugar.

Year.	Raw 98° polariza- tion.	Average.	Refined granulated.	Average.	Difference.	Average.
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
1900	4.566	3.969	5.820	4.847	0.754	0.878
1901	4.047		5.050		1.003	
1902	3.542		4.455		.913	
1903	3.720		4.638		.918	
1904	3.974		4.772		.798	
1905	4.278	3.960	5.256	4.823	.978	.886
1906	3.686		4.515		.829	
1907	3.756		4.649		.893	
1908	4.073		4.957		.864	
1909	4.007		4.765		.758	

For purposes of comparison the years covered have been divided into two periods of five years each, and average prices calculated for each of these periods.

The difference in the margin between raw and refined sugars, as shown above, has been thus slightly less on average during the past five years than during the previous corresponding period.

The American Sugar Refining Co. has no agreement, direct or implied, in regard to the fixing of prices or the regulation of the production of refined sugar. The industry in general contends with a competition of the keenest and fiercest character. Its corporate status has had the direct sanction of the highest tribunal in the land, the Supreme Court of the United States.

V. *Litigation against the company.*

No extended or adequate reference can be made in this report or at this time to the litigation against your company and some of its employees, for the reason that these matters are still the subject of judicial investigation. In April last the board, through its secretary, communicated to you a statement signed by the counsel for the company, giving the reasons why this company had settled a claim, which had been made against it by the United States Government by reason of certain fraudulent underweighing of sugar at one of your several refineries. Your board has endeavored in every way to facilitate the investigations of the Government. Without the formality of a subpoena, the officers of this company, with the knowledge and approval of the board, have put in the possession of the special counsel for the Government, all books, documents, letters, and minutes of whatever kind, that such special counsel desired, and have given them the freest and fullest access to the offices of your company and the freest and fullest opportunity to interrogate any and all employees.

No attempt whatever has been made to shield any one and your board has no reason to believe and does not believe that any executive officer or director of this company had any knowledge of or participation in this fraudulent underweighing.

Another litigated case which has been the subject of much inaccurate and unjust comment is the suit brought against this company by the receiver of the Pennsylvania Sugar Refining Co., growing out of a transaction known as the Segal loan. As it has also been made the subject matter of legal proceedings by the Government against this company and some of its directors, any adequate statement of the true facts of the case at this time might be misconstrued, and is therefore best omitted. It is sufficient to say that the Supreme Court of the United States, when called upon to consider the legality of the acquisition by this company of four sugar refineries in the city of Philadelphia, held that the interstate commerce law did not apply, and it was therefore at all times assumed

by this company and its directors and officers at the time of the Segal loan, and still is the opinion of the counsel who have represented the company in the litigation, that the short-time loan, which was made to Segal upon the security of a controlling interest in one refinery, was not a violation of any law.

In the suit brought by the receiver of the Pennsylvania Sugar Refining Co. against your company the United States district judge who tried the case at first sustained the position of this company in this respect. The circuit court of appeals, however, upon the averments made by the Pennsylvania Sugar Refining Co. in its complaint, felt constrained to hold otherwise. In this decision and in the subsequent American Tobacco case that court gave a much wider interpretation to the Sherman antitrust law than any that had theretofore been given. Its soundness is now under review in the Supreme Court of the United States on an appeal in the Tobacco case, and that court will soon finally determine the question. On the trial of the case against your company following the reversal of Judge Holt's decision by the circuit court of appeals a proposition was made to settle the plaintiff's claim for less than one-fifteenth of the entire claim, and under the advice of the very eminent counsel who represented this company it has given its assent to such settlement, which has now been carried to final consummation. The litigation is therefore ended.

VI. Condition of refineries.

The general physical condition of your refineries is excellent.

The company's new refinery at Chalmette, La., which has been in progress of construction for several years, commenced its operations last May and has a refining capacity of 3,000,000 pounds daily. It is equipped with the latest labor-saving machinery, and as a consequence it is expected that sugar can be refined at this refinery more cheaply than at any other in this country. Extensive improvements are in progress at the company's Boston refinery, which will lessen the risk from fire, result in greater capacity, and permit of more economy in operation. These improvements in Boston have involved during the current year the expenditure of about \$400,000. Additions to the facilities for storing and handling sugar have been made in Jersey City. Radical improvements are also in progress in this refinery in connection with the boiler-house and power systems. During the year the Philadelphia refinery has benefited considerably from the improvements made in 1908 at a cost of approximately \$200,000. A new electric power system and other electrical equipment have recently been added, and these expenditures have aggregated about \$100,000. Much work has also been done in the Havemeyers & Elder refinery to produce more economical results, and upon this work satisfactory progress can be reported.

A very valuable asset of the American Sugar Refining Co. is the Brooklyn Cooperage Co. It has factories in Boston, New York, Philadelphia, New Orleans, and Port Chalmette, La., with reserve factories and reserve stock as precautions against fire. It now owns in New York State 40,000 acres of timber land, with stumpage rights on 60,000 more acres. In Pennsylvania it controls timber on about 30,000 acres. In Arkansas it owns 70,000 acres and in Missouri 90,000 acres. It owns and operates 9 stave and heading mills and incidentally operates 80 miles of railroads in order to get its timber to the mills and thence to the factories. The condition of this company is most excellent and largely adds to the efficient and economical handling of sugar.

It gives your board great satisfaction to state that the technical operations of the cane refineries and the beet-sugar factories are showing better results than at any time in the history of the company.

Your directors fully recognize that the continued and permanent success of your company must depend upon its ability to make the best refined sugar as economically as any of its competitors, and to sell it to the consumer upon fair and reasonable terms.

We have disposed of our interest in the coffee business, as well as our interest in some other agencies of distribution.

VII. Financial condition.

Until a full statement of our financial condition can be prepared, the directors wish to assure the stockholders that the year has been a prosperous one. The dividends have been fully earned.

The company's financial report for 1909, giving the results of the year's business and a statement of assets and liabilities as of December 31, 1909, is being prepared and will be sent to the stockholders at the usual time.

The directors are greatly gratified to have received proxies for over 640,000 shares, which is the largest number the management has ever received in the history of the company.

VIII. *List of refineries.*

The American Sugar Refining Co. operates the following cane refineries: Standard Refinery, Boston; Havemeyers & Elder, New York; Matthiessen & Wiechers, Jersey City; Spreckels Refinery, Philadelphia; Chalmette Refinery, New Orleans.

The company also owns and holds in reserve in readiness to start in case of the destruction of any of the active refineries by fire, or in case of an excessive temporary demand for refined sugar: The Franklin Refinery, Philadelphia; the Louisiana Refinery, New Orleans.

The company also owns one-quarter of the capital stock of the National Sugar Refining Company, and one-half interest in the Western Sugar Refining Company of San Francisco.

The beet-sugar companies in which the American Sugar Refining Company is interested are the following: Alameda Sugar Co., California; Spreckels Sugar Co., California; Utah-Idaho Sugar Co., Utah; Amalgamated Sugar Co., Utah; Lewiston Sugar Co., Utah; Great Western Sugar Co., Colorado; Michigan Sugar Co., Michigan; Iowa Sugar Co., Iowa; Carver County Sugar Co., Minnesota; Menominee River Sugar Co., Michigan; Continental Sugar Co., Ohio.

The president stated that the first business to be transacted was the adoption of amended by-laws in accordance with the call.

Mr. James M. Beck, the general counsel of the company, read the amended by-laws of the company, which had been adopted by the directors at their meeting of January 12, 1910, and recommended to the stockholders for approval. He also read a section No. 23 to be added to the by-laws, but which had not been submitted to the directors.

On motion the by-laws read, including section 23, were approved by the stockholders and declared to be the by-laws of the company.

The by-laws as adopted are as follows:

(Here follow by-laws as given in extracts from the minutes of a meeting of the board of directors of the American Sugar Refining Co. held on Tuesday, Sept. 20, 1910.)

The president stated that an election would be held for three directors in place of W. B. Thomas, C. H. Senff and H. E. Niese whose terms expire, an election for one director to succeed John Mayer, who had resigned, and an election of two directors to increase the board in accordance with the adopted by-laws.

The president stated that the following gentlemen had been nominated for the offices, namely:

Directors to serve for three years and until the annual meeting of March, 1913: W. B. Thomas, H. E. Niese, Edwin F. Atkins, Edwin S. Marston.

Directors to serve for two years and until the annual meeting of March, 1912: Samuel C. Hooker, Samuel Carr.

Mr. Henry A. Church and Mr. W. Edward Foster were nominated and appointed inspectors of election, and they took the following oath:

"STATE OF NEW JERSEY,

"County of Hudson, ss:

"Henry A. Church and W. Edward Foster sworn upon their respective oaths, do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspector of election, and will to the best of their skill and ability conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

"HENRY A. CHURCH,
"W. EDW. FOSTER.

"Sworn and subscribed before me this 12th day of January, 1910.

[SEAL.]

"JOHN F. MURPHY,
"Notary Public, Jersey City, N. J."

The polls were declared open at 12.34 o'clock p. m., and the balloting proceeded.

There were present in person or by proxy, holders of 341,778 shares of common stock and 306,608 shares of preferred stock.

The following resolution was offered and read by Mr. Henry B. Closson:

"*Resolved*, That the action of the directors at their meeting held January 11, 1910, which reads as follows:

"*Resolved*, That the accumulated profits less the dividends which have been declared up to this time, including the dividends of January 2, 1910, be reserved as working capital, less such amounts as the directors shall see fit from time to time to declare as dividends,"

"be, and the same is hereby, approved and confirmed by the stockholders."

On motion, duly seconded, this resolution was unanimously adopted.

The following resolution was offered and read by Mr. Henry B. Closson:

"*Resolved*, That the stockholders hereby ratify and approve the action of the directors in the management of the company's business and the conduct of its executive officers during the foregoing years, as set forth in the annual report of the board of directors read at this meeting."

On motion, duly seconded, this resolution was unanimously adopted.

At 1.30 o'clock p. m., the president declared the polls closed, and the inspectors made the following report:

"We, the subscribers, inspectors of election, appointed by the stockholders of the American Sugar Refining Co. at their meeting held this 12th day of January, 1910, do report that having taken oath impartially to conduct the election, we individually received the votes of the stockholders by ballot.

"We report that 648,386 votes were cast, and that the following persons received the number of votes set opposite their respective names, to wit:

"For directors to hold office for three years and until the annual meeting of March, 1913: W. B. Thomas, 648,386 votes; H. E. Niese, 648,386 votes; Edwin F. Atkins, 648,386 votes; Edwin S. Marston, 648,386 votes.

"For directors to hold office for two years and until the annual meeting of March, 1913: Samuel C. Hooker, 648,386 votes; Samuel Carr, 648,386 votes.

"All of which is respectfully submitted this 12th day of January, 1910.

"HENRY A. CHURCH.

"W. EDW. FOSTER."

The president then declared the gentlemen named had been duly elected directors of the company.

On motion the meeting adjourned.

C. R. HEIKE, *Secretary*.

ANNUAL STOCKHOLDERS' MEETING OF THE AMERICAN SUGAR REFINING CO. MARCH 8, 1911.

Minutes of the meeting of the stockholders of the American Sugar Refining Co., held at the office of the company in Jersey City, N. J., on Wednesday, March 8, 1911, at 12 o'clock noon, pursuant to the following notice, which had been duly advertised and mailed to each stockholder:

THE AMERICAN SUGAR REFINING CO.,
Jersey City, N. J., February 4, 1911.

The annual meeting of the stockholders of the American Sugar Refining Co. will be held in the office of the company at the corner of Washington and Essex Streets, Jersey City, on Wednesday, March 8, 1911, at 12 o'clock noon, for the election of directors of the company, the ratification of by-laws, and the transaction of such business as shall come before the meeting.

JOSEPH E. FREEMAN, *Secretary*.

The second vice president of the company, Charles H. Allen, called the meeting to order and acted as chairman of the meeting.

The secretary of the company, Joseph E. Freeman, was chosen to act as secretary of the meeting.

The chairman presented and read the annual report of the board of directors as follows:

REPORT OF THE BOARD OF DIRECTORS OF THE AMERICAN SUGAR REFINING CO. TO ITS STOCKHOLDERS.

Your board of directors herewith submit its report for the year 1910.

In its preceding annual report, a full statement was made as to the ownership of the company, its status as to litigation then pending, the condition of

its refineries, its financial condition, and other pertinent details of its organization and operations. It is therefore unnecessary in this report to repeat what was then so fully stated for the information of the stockholders and the public.

I.—CHANGES IN THE ADMINISTRATION.

Since the last annual report, there have been further changes in the administrative officers of the company and in the personnel of your board of directors.

Mr. Washington B. Thomas, the president of the company from December 10, 1907, after a long and faithful service as director and president, felt compelled, by reason of personal considerations, to resign as president.

Your board accepted the resignation with great reluctance, but prevailed upon Mr. Thomas to accept the position of chairman of the board of directors, in which capacity the company will have the great advantage of his experience in the sugar business and his intimate knowledge of your company. Mr. Thomas served the company in its most trying period with fidelity to its interests as well as to those of the public.

Mr. Edwin F. Atkins, of Boston, has been elected first vice president, and Hon. Charles H. Allen has been elected second vice president and treasurer of the company.

Mr. Joseph A. Ball, who has been connected with the company for the last 20 years at its refineries in Philadelphia, has been placed in charge of all the sales offices, and Mr. Judson Lounsbery, who has also had extended experience on the executive staff of the company, has been placed in charge of the selling department of the New York office.

Joseph E. Freeman, Esq., formerly the assistant to our general counsel, has been elected secretary of the company. Mr. W. Edward Foster, for many years auditor of the company, has been made its comptroller.

Mr. Horace Havemeyer and Mr. Arthur Donner have resigned from the board of directors, and the place of Mr. Havemeyer has been filled by the selection of Mr. Philip Stockton, president of the Old Colony Trust Co., of Boston. In this selection your board has again recognized the fact that the majority of its stock is held in New England and by its investors. At the present time, five members of the board are residents of Massachusetts, two residents of New York, and two residents of Pennsylvania.

II.—THE OPERATION OF THE REFINERIES.

During the past year your board of directors has spent more than \$700,000 in improvements at the several refineries of your company. These expenditures have promoted the efficiency of the refineries, and it is confidently believed that your company will be reimbursed by the economies resulting from such increased efficiency. Further extensive improvements have been authorized for the current year, which it is believed will enable the company to refine sugar more cheaply than at present, and thus enable the company to meet the ever-increasing competition of its business rivals.

Recognizing the increased cost of living and for other reasons, your board voluntarily granted last April to its employees a general increase in wages of from 5 to 10 per cent at all its refineries.

Notwithstanding this increase, during the summer months the operations of the Brooklyn refinery were seriously interfered with by a labor controversy, and, as a result of the strike that followed and the forcible interference with the employees of this company who remained loyal to it, the refinery was closed for a number of weeks. The other refineries of the company were, however, able to maintain and increase its average meltings. The strike was finally and satisfactorily ended. Notwithstanding the interruption by reason of labor troubles and other causes of the normal operation of some of your refineries, the business at the close of the year showed an increase over the preceding year.

The margin of profit throughout the year has been very small, as the sugar trade throughout the world has been subject during the year to serious and sharp declines, owing to the very large supply of raw sugar. Notwithstanding this the company has continued to make a profit sufficient to meet its dividend requirements. The price for granulated sugars reached as high as 5.20 per pound and as low as 4.55. Raw sugars varied in price from 4.45 per pound to 3.80 for 96° test.

In our last annual report we quoted the statement of Messrs. Willet & Gray, the well-known sugar statisticians, to the effect that your company refines about 43.5 per cent of the sugar consumed in this country. During the last year, according to the same authority, your company has manufactured slightly over 42 per cent of such total consumption. Your company, therefore, is in no sense a monopoly, but, on the contrary, is subject to competition which is probably as keen and continuous as exists in any other extensive industry.

III.—THE COMPANY'S STOCKHOLDERS.

During the past year the confidence of the company's stockholders in the value of their investment has been again displayed. In spite of the varied litigation to which the company has been subjected, many of our old stockholders have added to their investments, while the list of new stockholders has steadily increased. Our company ranks third among the great industrial corporations in respect to its number of stockholders, and fifth when the comparison includes the large railroad systems of the country.

The average individual holding of stock is less than 50 shares, and the number of your stockholders is 19,551.

IV.—LITIGATION.

During the year the Government commenced two suits to recover from your company a very large sum of money which it was claimed had been improperly paid to the company by way of drawbacks on the duties previously paid by the company on imported raw sugar. Your company, with a desire to meet any legal or equitable claim of the Government, freely cooperated with it in ascertaining the facts and in determining what was fair and equitable. The transactions out of which these claims grew all took place prior to 1907.

Upon the ascertainment of facts and under the advice of counsel the company agreed to pay to the Government the sum of \$700,000 in full settlement of any and all civil liability with respect to these suits.

The United States district attorney, who brought these suits and recommended the acceptance of this sum in settlement, in an authorized public statement disclaimed in the following language any suggestion of fraudulent intent upon the part of your company:

"The investigation shows, however, that the companies did not have in use any proper method to identify their exported manufactured products with the imported raw sugars from which they claimed such export to have been produced. A proper system was inaugurated by these companies of their own accord in September, 1907, and their previous inaccurate and technically improper system was, at its inception, in my opinion, attributable to loose method rather than to fraudulent intent, for the simple reason that at the time of its adoption the free sugars refined by these companies were negligible in amount."

As the public little realizes the amount of duties which this company has paid to the Government, it may be well for the board again to call your attention to the fact that this company has paid to the Government in duties on importations in the last 14 years the large sum of \$335,000,000.

On the 28th day of November the Government filed a bill in equity to determine whether your company is in any respect violating the Sherman antitrust law. The bill is a voluminous one, covering 217 printed pages, and broadly challenges the operations and growth of this company from its formation. So far as the acquisition by this company of nearly all of its sugar refineries is concerned, the facts have already been the subject of judicial investigation in a case which was finally decided by the Supreme Court in January, 1895, and which is commonly known as the Knight case. It was then formally and authoritatively adjudged by the highest court in the country that your company had not violated the Sherman antitrust law and was not a monopoly thereunder. Your board is advised by its counsel that as between the Government and your company the Knight case is conclusive on the salutary principle of the law that that which has once been adjudicated can never again be called into question by either party.

Counsel for your company expect that before the time for it to file its answer, or other pleading, arrives, the Supreme Court will have decided the important pending cases involving the construction of the Sherman law, and

when these decisions are rendered, they will doubtless have an important bearing upon the contentions of the Government in the suit against your company. While these decisions, if adverse to the Standard Oil Co. and the Tobacco Co., will not necessarily decide the legal questions against your company; yet if the decisions are adverse to the Government, it is confidently believed that they will put an end to the litigation against your company. Your board need now only remind the stockholders, that even if this company should be adjudged in any of its operations to have violated the Sherman law, this company can not be deprived of its property. When the bill was filed, our general counsel made a statement in behalf of the company, of which a copy was sent to every stockholder, from which your board quotes with approval the following sentence:

"If it appear, when the Supreme Court interprets the Sherman law in the Tobacco and Standard Oil cases, that the Sugar Co. is in any respect violating the Sherman law, steps will immediately and voluntarily be taken to comply with the law as thus interpreted. This would be done if the present proceeding had never been begun. The officials of the Government are not more anxious to enforce the law than the present management of this company is to obey it."

Your general counsel has associated with him, in the defense of the company's interests in this suit, the Hon. Richard Olney, of Boston, Mass., formerly Attorney General of the United States, and John G. Johnson, Esq., of Philadelphia. Its legal interests could not be in better hands. All that can properly be done will be done to defend the company's interests and unless the decisions for which the country is now waiting, in the Tobacco and Standard Oil cases, are very unfavorable to the forms of corporate organization, which are the inevitable results of the railroad and the telegraph, a favorable outcome of the dissolution suit may be reasonably expected.

The chairman stated that the first business to come before the meeting would be the election of three directors, to serve for three years, in place of Messrs. Charles H. Allen, George H. Frazier, and Henry C. Mott, and of two directors to hold office for one year to succeed Messrs. Philip Stockton and Arthur Donner.

Mr. C. A. Peck and Mr. W. Edward Foster were nominated and elected inspectors of election. They took the following oath:

STATE OF NEW JERSEY, *County of Hudson*:

C. A. Peck and W. E. Foster, sworn upon their respective oaths do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election, and will to the best of their skill and ability conduct the election to be held this day for directors of the American Sugar Refining Co., and a true report make of the same.

C. A. PECK.

W. EDW. FOSTER.

Sworn and subscribed to before me this 8th day of March, 1911.

[SEAL]

JOHN F. MURPHY,

Notary Public, Jersey City, N. J.

The following gentlemen were nominated for directors:

Charles H. Allen, George H. Frazier, Henry C. Mott, to hold office for three years and until the annual meeting of March, 1914.

Philip Stockton and George H. Church, to serve for one year, and until the annual meeting of March, 1912.

The chairman declared the polls open at 12.15 o'clock p. m., and the balloting proceeded.

There were present in person or by proxy 313,268 shares of common stock, and 299,625 shares of preferred stock.

The chairman then stated that if there was no objection on the part of any stockholder, the meeting would proceed with the transaction of other business. No objection being made, he stated that the first business to be transacted was the adoption of amended by-laws, in accordance with the call. The secretary read the amended by-laws, which had been adopted by the directors at their meeting of September 20, 1910. On motion the by-laws as read were approved by the stockholders, and declared to be the by-laws of the company.

The by-laws adopted are as follows:

(Here follow by-laws already given in extracts from the minutes of a meeting of the board of directors of the American Sugar Refining Co., held on Tuesday, Sept. 20, 1910.)

Upon motion the following resolution was adopted:

Resolved, That the action of the board of directors in creating an insurance fund and in transferring and purchasing securities to an aggregate of \$7,560,000 for account of such fund, be and is hereby ratified and approved."

Upon motion the following resolution was adopted:

Resolved, That the action of the directors and of the executive officers in the management of the company's business, during the year last past, is hereby ratified and approved."

The following resolution was unanimously adopted:

Resolved, That the accumulated profits less the dividends which have been declared up to this time, be reserved as working capital; less such amounts as the directors shall see fit from time to time to declare as dividends."

At 1.15 o'clock p. m. the chairman declared the polls closed, and the inspectors of election made the following report:

We, the subscribers, and inspectors of election, appointed by the stockholders of the American Sugar Refining Co., at their meeting held this 8th day of March, 1911, do report, that having taken oath impartially to conduct the election we individually received the votes of the stockholders by ballot.

We report that 612,893 votes were cast and that the following persons received the number of votes set opposite their respective name, to wit:

For directors, to hold office for three years and until the annual meeting of March, 1914:

	Number of votes.
Charles H. Allen.....	612, 893
George H. Frazier.....	612, 893
Henry C. Mott.....	612, 893

For directors, to hold office for one year and until the annual meeting of March, 1912:

	Number of votes.
Philip Stockton.....	612, 893
George H. Church.....	612, 893

All of which is respectfully submitted this 8th day of March, 1911.

W. EDW. FOSTER,
C. A. PECK,
Inspectors of election.

The chairman then declared the gentlemen named had been duly elected directors of the company.

On motion the meeting adjourned.

J. E. FREEMAN, *Secretary.*

EXTRACTS FROM MINUTES OF EXECUTIVE COMMITTEE MEETINGS, VOLUME 1.

Minutes of a meeting of the executive committee held at 117 Wall Street, New York, Tuesday, September 15, 1891, at 12.30 p. m.:

The manufacturing committee recommended the dismantling of the East Boston house, and on motion of Mr. Dick it was

Resolved, That the East Boston refinery be dismantled, as also the Forest City refinery in Portland, Me.

The leasing of Brooklyn property and the purchase of additional property in Boston were referred to the manufacturing committee for report.

The purchase of additional property in Jersey City was referred to the counsel of the company for report as to title.

Meeting of the executive committee held at 117 Wall Street, New York, January 12, 1892, at 2 o'clock p. m.:

On the recommendation of the president the committee conferred upon the mercantile committee the power to extend a credit of not more than \$500,000 to each of the houses of Hidalgo & Co. and Francke Hijos & Co., Habana, against sugars purchased for account of this company but not shipped.

Minutes of a meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 2, 1892, at 2 o'clock p. m.:

The president called attention to the excessively small margin between raw and refined sugars and asked for instructions from the executive committee.

The manufacturing committee were requested to submit a report on the comparative cost of running the refineries full or partially full, also of irregular and total stoppage.

Minutes of a meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 9, 1892, at 2 p. m.:

The manufacturing committee reported informally on the question of stoppages, that total stoppage for one week or more would be equivalent to a loss of one-eighth cent per pound upon the melting capacity of the house without considering the loss to the collateral interests of cooperage and cartage. The cost of working the house at 50 per cent of its capacity would increase the cost of refining 8 cents per 100 pounds.

The report was referred back for further consideration and detailed report in writing.

The same committee reported on the subject of beer (see report), and on their recommendation the contract was ordered awarded to the Malcom Brewing Co., at \$5 per barrel of 32 gallons, to take effect March 1.

Minutes of a meeting of the executive committee held at 117 Wall Street, New York, Tuesday, February 16, 3.30 p. m.:

The board having authorized the improvements in the Baltimore refinery, the manufacturing committee were authorized to make such changes at a cost not to exceed \$100,000. So much of their report as refers to railroad arrangements was referred to the secretary for adjustment.

Minutes of a meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 23, 1892, at 2 p. m.:

The manufacturing committee reported in the matter of the Baltimore refinery that plans were being prepared.

Minutes of a meeting of the executive committee held at 117 Wall Street, New York, Wednesday, March 2, 1892, at 2 p. m.:

The same committee recommended the taking out of the boilers now in the Baltimore refinery and substituting for same a new battery of B. and W. boilers, at a cost of \$30,000.

The recommendation was adopted and referred to the secretary for communication to the Baltimore directors (see report).

Minutes of a meeting of the executive committee held at 117 Wall Street, New York, Wednesday, March 23, 1892, at 3 p. m.:

The manufacturing committee recommended an additional appropriation of about \$10,000 for making the new building in connection with the Baltimore refinery fireproof.

The secretary reported that by reason of the failure on the part of Mr. Matthiessen, president of the F. O. Matthiessen & Wiechers Sugar Refining Co., to execute the assignment of a patent taken out in 1877 and held by the company, he was unable to complete the dissolution proceedings of the F. O. Matthiessen & Wiechers Sugar Refining Co. as previously instructed by the board. The papers for the dissolution have all been prepared and the necessary action taken by the directors and stockholders. But it is recommended by counsel that all acts necessary by the officers of the company shall be performed prior to the dissolution, and the papers are consequently delayed.

Mr. Matthiessen explained that while it was true that the patent referred to was in the name of the company, he had not so intended to transfer it, and he therefore declined to make the transfer from the F. O. Matthiessen & Wiechers Sugar Refining Co. to the American Sugar Refining Co. No action was taken.

Minutes of a meeting of the executive committee held at 117 Wall Street, on Tuesday, March 29, 1892, all the members of the committee being present:

On motion the mercantile committee was authorized to purchase 25,000 tons of sugar for delivery during the last half of the year on the basis of 13 shillings c. and f. for first beets.

Minutes of a meeting of the executive committee held at 117 Wall Street on Thursday, April 7, 1892, all the members of the committee being present:

The officers of the company were appointed a committee with power to negotiate with the owner of the Sugarlands Refinery, in Texas, and to purchase same, in their discretion.

Minutes of the executive committee meeting held at 117 Wall Street, New York, April 12, at 2.30 p. m.:

On motion, the limit fixed for purchase of future raw sugars at meeting of March 29 was increased to basis 13s. f. o. b. first beets. The discretion was given the mercantile committee to increase stock to 300,000 tons, including Philadelphia, independent of purchases for last half of year previously authorized.

Minutes of meeting of the executive committee held at 117 Wall Street, New York, April 19, 1892, at 2.30 p. m.:

The mercantile committee were authorized to buy 10,000 tons of French beets 92° net, at 13/6 c. and f. half October and half November.

The treasurer was authorized by vote to effect insurance against accidents in the American Casualty Insurance and Security Co. of Baltimore, in accordance with the plan submitted, at a cost of \$15,320, also to make similar arrangements on the same basis for the Philadelphia refineries.

Meeting of executive committee May 24, 1892:

On motion, the Spreckels Refinery was recommended to equip the cooperage plant with the sprinkler system at a cost of \$5,600.

Meeting of executive committee May 31, 1892:

The treasurer was authorized to subscribe \$1,000 toward the sufferers by the floods in Sioux City.

The president presented a form for proposed contract with Louisiana planters which was approved.

The secretary reported that the E. C. Knight Refinery in Philadelphia would shut down during the present week, and that the Spreckels Refinery would commence melting the latter part of the week.

The manufacturing committee were instructed to report a plan for connecting the Knight and Franklin Refineries by pipe line and such other changes as they would recommend.

Also to authorize the officers to purchase a controlling interest in the stock of the Sugar Shed Co. at not to exceed \$40 per share.

Meeting of executive committee June 14, 1892, at 2 p. m.:

The mercantile committee reported the following resolution:

Resolved, That on and after July 1, 1892, quotations for refined sugars in New York, Boston, Philadelphia, and New Orleans will be the wholesale grocers' price, subject to an allowance of one-eighth cent per pound, besides the usual trade and cash discounts.

Minutes of the executive committee, Tuesday, June 28, 1892, at 2 p. m.:

The committee further reported that the beer now supplied at the Brooklyn refineries was not of standard quality in accordance with contract. The committee were instructed to cancel the contract at once unless the terms of same were complied with.

Minutes of the executive committee, Tuesday, July 12, at 2 p. m.:

The secretary presented communications relative to raw beet sugars in Nebraska, action on which was also deferred.

Minutes of the executive committee, Tuesday, August 2, 1892, at 2 p. m.:

Mr. Matthiessen reported that the quality of beer, notwithstanding the promises of the manufacturers, was not of satisfactory quality.

On motion, the contract was ordered canceled and new contract authorized with the India Wharf Brewing Co.

On motion, leave of absence was granted Mr. Mattheissen for two months from August 6, the company to pay his expenses while in its service.

Minutes of the executive committee, Tuesday, August 16, 1892, at 2 p. m.:

The secretary reported that in accordance with the action of the last meeting, contracts for beer with the Malcom Brewing Co. had been canceled and new contracts entered into with the India Wharf Brewing Co.

On motion of the secretary, it was recommended that the property of the E. C. Knight Co. be leased to the Franklin Sugar Refining Co. at a rental of \$48,000 per annum plus taxes, water rates, and all other expenses.

Also that the property of the Delaware Sugarhouse be leased to the Spreckels Sugar Refining Co. at a rental of \$12,600, taxes, water rates, and all charges.

On motion of Mr. T. A. Havemeyer, the Franklin Sugar Refining Co. were authorized to equip a portion of the Knight Refinery as a washing plant at a cost not to exceed \$50,000.

On motion, adjourned.

Minutes of the executive committee, Tuesday, September 13, 1892, at 2 p. m.:

On motion, it was recommended that the salary of J. V. V. Booraem, consulting engineer, be increased to \$30,000 per annum.

Minutes of the executive committee, Thursday, October 13, 1892, at 12 m.:

The secretary submitted a communication from the Franklin Refinery, asking authority to pull down the old buildings on the E. C. Knight property, preparatory to the construction of the raw-sugar warehouse; which was, on motion, authorized.

Minutes of the executive committee, Wednesday, November 9, 1892, at — o'clock p. m.:

The manufacturing committee reported plans and estimates for a one-story shed, with a capacity of 20,000 barrels of refined sugars, for the Baltimore refinery, as also a raw-sugar warehouse, estimated to cost \$35,000. They also reported that the cost of the extension of the railroad shed would be about \$12,000.

Minutes of the executive committee, Friday, January 13, 1893, at — o'clock:

The question of the employment of young men as apprentices was referred to the manufacturing committee, with the recommendation that a suitable contract be made with the parties in such cases.

Minutes of the executive committee, Tuesday, January 24, 1893, at 12.30 p. m.:

The president reported the closing of the Planters' Refinery, and it was voted that the Greenpoint house be started on or about March 1.

Minutes of the executive committee, Tuesday, January 31, 1893, at 1.30 p. m.:

It was recommended that the Spreckels Co. acquire by lease from the Baltimore & Ohio Railroad Co. the property on Dickinson Street adjoining the Southern Railroad Co. property, and cooperate with the railroad company in the closing of Dickinson Street.

Minutes of the executive committee, Thursday, February 16, 1893, at 1.30 p. m.:

The president reported the feasibility of purchasing large quantities of Cuba sugars.

On motion, it was recommended that purchase be made and the necessary advances to carry the sugars in Cuba be authorized.

Minutes of the executive committee, Tuesday, February 28, 1893, at 2 p. m.:

The mercantile committee were authorized to increase the stock of raw sugars to 300,000 tons, including all purchases in Cuba, but not including Javas and beets for future delivery.

Minutes of the executive committee, Tuesday, March 21, 1893, at 2.30 p. m.:

On the recommendation of the president, a subscription of \$500 was authorized to the Commercial Travelers' Club.

Minutes of executive committee, Tuesday, March 28, 1893, at 12 o'clock m.:

The secretary reported that meetings would be held in Philadelphia on the 30th instant of the Spreckels, Knight, and Delaware companies, and asked instructions as to the directors to be elected.

It was recommended that the Spreckels board consist of T. A. Havemeyer, John E. Searles, and Joseph A. Ball; that the Knight board consist of T. A. Havemeyer, H. O. Havemeyer, John Searles, W. W. Harrison, and Mitchell Harrison; that the Delaware board consist of T. A. Havemeyer, H. O. Havemeyer, John E. Searles, Joseph A. Ball, and Charles Watson.

Minutes of the executive committee of the American Sugar Refining Co., Tuesday, April 11, 1893, at 12 m.:

For the Spreckels Sugar Refining Co.: T. A. Havemeyer, H. O. Havemeyer, John E. Searles, Joseph A. Ball, and Charles Watson.

Officers: T. A. Havemeyer, president; Joseph A. Ball, vice president and treasurer; Charles Uhler, secretary.

For the Delaware Sugar House: T. A. Havemeyer, H. O. Havemeyer, John E. Searles, Joseph A. Ball, and Charles Watson.

Officers: T. A. Havemeyer, president; Jos. A. Ball, secretary and treasurer.

For the E. C. Knight Co.: T. A. Havemeyer, H. O. Havemeyer, John Searles, W. W. Harrison, and Mitchell Harrison.

No election as yet for officers.

In the matter of wharf bill, the secretary reported that it was found not to affect the properties of this company in Brooklyn.

Minutes of the executive committee, Tuesday, April 25, 1893, 2 p. m.:

On motion, the New Orleans manager was authorized to contract for plantation sugars on the basis of prices paid in New Orleans for the same grades of sugar on the day of delivery. All sugars to be delivered as made.

Minutes of executive committee, Tuesday, May 9, 1893, at 2 p. m.:

Also, that a contribution of \$100 be made to a crippled workman to establish him in business.

Minutes of the executive committee, Friday, May 19, 1893, at 2 p. m.:

It was, on motion, recommended that the Baltimore Refinery be started on June 1 if ready.

Minutes of the executive committee July 12, 1893, at 2 p. m.:

The chairman of the manufacturing committee announced that the coal contracts and the beer contract would expire in August, and on motion he was authorized to send out proposals for a yearly contract for beer and for monthly and yearly contracts for coal.

Minutes of executive committee, Wednesday, July 26, 1893, at 12 o'clock m.:

Proposals for beer were presented, and on motion it was voted to award the contract to the Malcom Brewing Co. at \$4.95 per barrel, with guaranteed analysis.

Minutes of executive committee, Wednesday, August 2, 1893, at 2 p. m.:

The chairman of the manufacturing committee reported in writing on the Greenpoint Refinery, and on motion it was ordered closed when the present stock of raw sugars is exhausted.

Minutes of a meeting of the executive committee, Wednesday, September 6, 1893, at 12 o'clock m.:

Proposition to exchange machinery in Oxnard refinery for real estate was referred to F. O. Matthiessen and John E. Searles with power.

Minutes of executive committee, Wednesday, October 4, 1893, at 2 o'clock p.m.:

The matter of election of board of directors of the Baltimore Refinery was referred to the secretary with power.

Minutes of executive committee, Wednesday, October 11, at 2 o'clock p. m.:

The secretary reported that at the annual meeting of the stockholders of the Baltimore Sugar Refining Co. the following were elected directors for the ensuing year: W. W. Spence, William Frick, William S. Raynor, and George Poole.

Minutes of executive committee, Wednesday, November 29, 1893, at 12 m.:

It was voted that the contract for tearing down the old walls of the Baltimore Refinery be awarded to Woodruff & Carr at a cost of \$9,800.

Minutes of executive committee, Wednesday, December 6, 1893, at 12.30:

On the recommendation of the manufacturing committee it was voted that the old iron of the Baltimore Sugar Refinery should be disposed of at the best rates obtainable.

Minutes of executive committee, Wednesday, December 13, 1893, at 2 p. m.:

The treasurer was, on motion, authorized to pay the widow of Joseph Rigel, who died December 1 from injuries received at the H. & E. Refinery, in his discretion, an amount not to exceed \$1,000.

Minutes of executive committee, Tuesday, December 19, 1893, at 12 m.:

On the recommendation of the mercantile committee, it was—

Resolved, That meltings be discontinued at the M. & W. and Spreckels Refineries from December 23 to January 2.

Minutes of executive committee, Tuesday, March 27, 1894, at 1 p. m.:

The treasurer reported that under the authority previously given a contribution had been made to the Forty-seventh Regiment, National Guard, State of New York, of \$1,000, and to a similar organization in Jersey City, \$500; also to the Third Battery, National Guard, State of New York, in Brooklyn, \$100, and to the Sixteenth Ward Relief Association in Brooklyn \$250, in accordance with the report of the special committee.

Minutes of executive committee, Tuesday, April 3, 1894, at 12 m.:

The treasurer was authorized to lease the Oxnard Refinery property for a coopeage at \$1,500 per annum, lease to terminate on three months' notice.

Minutes of executive committee, Tuesday, April 24, 1894, at 12 m.:

The secretary presented a letter from the Franklin Sugar Refining Co. referring to coal contracts, and on motion it was recommended that they contract for their supply of anthracite coal for ten months from May 1 at \$1.85 for buckwheat and \$3.75 for egg, terms and conditions in accordance with letter.

Minutes of the executive committee, Wednesday, May 16, 1894, at 12.30 p. m.:

The mercantile committee reported purchases of 20,000 tons of beets for October shipment at 11/8 f. o. b., also 12,500 tons of Javas, June-September shipment, at 13/1½ and 4,500 tons at 13/.

Minutes of the executive committee, Monday, July 9, 1894, at 12 o'clock:

The president submitted correspondence with the Western Sugar Refining Co. relative to purchases of beet sugars. The matter was referred to the president and secretary with power.

On motion the secretary was authorized to execute a new contract with the Malcolm Brewing Co. for beer.

Minutes of the executive committee, Tuesday, September 11, 1894, at 2.30 p. m.:

On the recommendation of the chairman new contracts for raw sugars in New Orleans were authorized on the same basis as last year, except that No. 12 Dutch standard is to be substituted for No. 10 Dutch standard.

Minutes of the executive committee, Tuesday, September 18, 1894, at 12 noon:

Resolved, That it is the sense of the committee that the price of granulated sugar should be reduced to 4½ cents less one and one from the 24th instant.

Minutes of the executive committee, Tuesday, October 2, 1894, at 12 m.:

A communication was received from Mr. Jos. A. Ball, V. P. Spreckels Sugar Refining Co., calling attention to the necessity of sureties on customhouse bonds.

Mr. Theo. A. Havemeyer expressed his willingness to act as one of the sureties.

On motion it was recommended that the Franklin and Spreckels companies pass suitable resolutions indemnifying for such service such persons as may sign their bonds.

Minutes of a meeting of the executive committee, Tuesday, October 16, 1894, at 12 m.:

It was recommended that all the salaries at Baltimore Refinery be discontinued after November 1 except the watchman.

The treasurer was authorized to subscribe \$100 to the Travelers' Home at Binghamton.

The vice president reported the contemplated closing of the Franklin Refinery on the 20th.

Minutes of the executive committee, Wednesday, October 31, 1894, at 1 o'clock p. m.:

The treasurer was authorized to subscribe \$100 to the Commercial Travelers' Club of New York.

Minutes of the executive committee, Wednesday, November 21, at 12 m.:

A proposition to improve the old Oxnard Refinery property, with a view to renting same, was reported by the manufacturing committee as impracticable and their report adopted.

Minutes of the executive committee, Wednesday, November 28, 1894, at 1 o'clock p. m.:

The mercantile committee were authorized to purchase 25,000 tons first beets at 9/ f. o. b. and 100,000 tons E. I. and Java sugars at a corresponding basis in bond.

Minutes of executive committee, Wednesday, December 5, 1894, at 12.30 o'clock p. m.:

The continued purchase of New Orleans sugars on the basis of 3 cents for 96° was authorized; also the sale of refined sugars on the basis of 4 cents, list price, in the discretion of the mercantile committee.

Three and seven-eighths cents for granulated and 3½ cents for sugars in process was fixed as the basis of inventory December 1.

Minutes of executive committee, Thursday, December 20, 1894, at 12.30 p. m.:

On motion the mercantile committee were authorized to fix the minimum difference between 96 centrifugals and granulated at one-half cent per pound net.

Minutes of executive committee, Monday, January 14, 1895, at 12 m.:

The secretary reported that, under advice of the company's counsel, Ex-Senator George F. Edmunds had been retained in the matter of the indictment suits against the officers of the company, at an expense of \$5,000.

On motion the treasurer was authorized to pay this amount and all other expenses appertaining to such suits. The bills of counsel for special services were referred to the president for settlement.

On motion, adjourned.

Minutes of the executive committee, Wednesday, January 23, 1895, at 12 o'clock:

It was voted to stop the Planters' Refinery on February 1 and start the Spreckels Refinery on the same date.

Minutes of the executive committee, Wednesday, January 30, 1895, at 12.30 o'clock:

The secretary presented a communication from the president of the Baltimore Sugar Refining Co., which was, on motion, laid over.

It was voted that it is the sense of the committee that the existing margin between raw and refined sugars should be reduced, the amount of reduction to be left to the discretion of the mercantile committee.

Minutes of executive committee, Wednesday, February 20, 1895, at 12 o'clock:

The secretary presented a report from Mr. Matthiessen in regard to the distilling process and advising that he had made contracts for machinery to the amount of \$40,000, one-third of which had been paid in cash on letter of credit.

On motion the action of Mr. Matthiessen was approved and an appropriation of \$150,000 recommended for the complete equipment of the South Ninth Street Refinery for distilling molasses.

On the recommendation of the manufacturing committee Mr. Booraem was authorized to proceed with the necessary changes in the building preparatory to the reception of machinery, in accordance with plans submitted.

Minutes of the executive committee, Wednesday, March 13, 1895, at 12 m.:

On motion the treasurer was authorized to purchase the stock of the Baltimore Sugar Refining Co., held as collateral on loan to William Deford for the amount of the loan.

Minutes of the executive committee, Wednesday, April 3, 1895, at 1 p. m.:

Mr. Matthiessen reported a recommendation that the Baltimore Refinery be rebuilt for the refining of sugar by the new Langen process. On motion he was directed to have plans prepared and submit them.

It was recommended that a new corporation, to be known as the Brooklyn Distillery Co., be organized with a capital of \$100,000, with privilege to increase same to \$500,000.

Minutes of the executive committee, Wednesday, April 17, 1895, at 12 m.:

In the matter of sirup tanks for the Spreckels Refinery the manufacturing committee reported that an expenditure of \$20,000 would be necessary for this purpose, and this expenditure was recommended.

Mr. T. A. Havemeyer reported in the matter of the refined-sugar warehouse for the Franklin Refinery that on property, at present owned by that company, could be built a six-story warehouse, with a capacity of 75,000 barrels, at an approximate cost of \$261,000. He was requested to have plans prepared for such a building and estimates made of cost.

On the report of Mr. Matthiessen of the advisability of using a quadruple effect for evaporation purposes at the distillery, instead of vacuum pans, an expenditure of \$25,000 was recommended for this purpose.

Meeting of the executive committee, Wednesday, May 1, 1895, at 1 o'clock p. m.:

Mr. Matthiessen called the attention of the committee to the death of Mr. Webster, engineer of the Boston Refinery, and recommended that in view of his past services his estate be paid two months' salary. His recommendation was adopted.

Mr. Havemeyer stated that the cost of the raw-sugar warehouse for the Franklin Refinery, for which estimate of \$188,000 had been approved, had amounted to \$181,575.54, leaving a credit of \$6,424.46, and that the cost of the sugar bins had been \$27,530.62, an excess of \$12,530.62 over the estimate.

Minutes of executive committee, Wednesday, May 15, 1895, at 12 m.:

The contracts for beet sugar, between the Western Sugar Refining Co. and the Western Beet and Chino companies, for 1895, were submitted and approved.

The secretary presented an application from Richmond H. Sprague, superintendent of the Western Sugar Refining Co., in San Francisco, for release from his contract with the company, in consequence of his intended removal to Europe.

On motion the treasurer was authorized to cancel the contract at such time as Mr. Sprague's position can be acceptably filled.

Minutes of executive committee, Wednesday, May 22, 1895, at 12 o'clock:

The manufacturing committee also submitted plans for the Baltimore Refinery with an estimate of \$600,000 as the probable cost of rebuilding.

Minutes of the executive committee, Wednesday, May 29, 1895, at 12 m.:

On motion authority was given the treasurer to issue from time to time, in his discretion, credits for use in Cuba by Messrs. Francke, Hijos & Co. and Hidalgo & Co. to the extent of \$500,000 to each.

On the recommendation of the manufacturing committee the treasurer was authorized to execute a contract with Mr. Otto Rohmaler for five years at a salary of \$10,000 per annum, with a gratuity of \$3,000 in consideration of his removal to San Francisco to enter the employ of the Western Sugar Refining Co.

The treasurer reported that, at a meeting of the Baltimore Sugar Refining Co. held on the 23d instant, it was voted to issue 6 per cent cumulative preferred stock to the amount of \$650,000 (this being 50 per cent of the present capital stock) to provide the funds necessary for the rebuilding of the house.

On motion the treasurer was authorized to subscribe for such preferred stock to the extent of 50 per cent of this company's holdings in the capital stock of the Baltimore company.

Minutes of executive committee, Wednesday, July 10, 1895, at 12.30 p. m.:

The secretary presented a letter from Mr. Parsons recommending the dissolution of the E. C. Knight Co. and the transfer of its property to the Franklin Sugar Refining Co.

On motion the treasurer was authorized to have the necessary papers prepared to carry out this recommendation, same to be effective when approved by Mr. John G. Johnson, the company's attorney in Philadelphia.

The secretary reported that provision had been made for underwriting the entire amount of the preferred stock of the Baltimore Sugar Refining Co., and on motion it was voted that the work on the refinery be proceeded with at once.

Minutes of the executive committee, Wednesday, July 17, 1895, at 12 m.:

The secretary reported the raw and refined sugar situation and the business for the week, which was approved.

Mr. Matthiessen, on behalf of the manufacturing committee, presented plans for increasing the capacity of the H. & E. refinery for granulated involving an expenditure of \$33,000 and also a plan for the utilization of tanks for storage at Jersey City refinery at a cost of \$28,000. Both were laid over until next meeting.

Minutes of executive committee, Wednesday, August 7, 1895, at 12 m.:

He further reported the result of interviews with the representatives of the wholesale grocers in several States and the amended plan for selling the company's product through agents.

On motion the plan was approved and the selection of agents was referred to the treasurer with power.

Minutes of the executive committee, Wednesday, August 28, 1895, at 12 m.:

The secretary reported that since the last meeting a second reduction of one-eighth had been made in granulated, making one-quarter in all, which was approved.

Minutes of the executive committee, Wednesday, October 16, 1895, at 12.30 p. m.:

The secretary presented a statement of the estimated crop of Hawaiian sugars for the ensuing year, and on motion he was instructed to arrange for the shipment of 45,000 tons, more or less, direct from Honolulu to New York.

Minutes of the executive committee, Wednesday, October 23, 1895, at 2.30 p. m.:

On motion it was voted to close the Franklin refinery at the end of the month, November 2.

He reported the shutting down of the Continental refinery, which was approved.

Minutes of the executive committee, Wednesday, November 6, 1895, at 1 p. m.:

It was decided to reduce the meltings of the Standard refinery to 700,000 pounds.

Minutes of the executive committee, Wednesday, November 13, 1895, at 12 m.:

On motion of the treasurer the selection in future of the agents or factors of the company under existing agreement was referred to the president with power.

The secretary submitted a telegram from San Francisco as basis for new contract with Hawaiian planters, and on motion he was directed to signify the assent of this company to the proposed terms.

Minutes of the executive committee, Tuesday, November 19, 1895, at 12 m.:

The president offered to the company 314 shares of the Baltimore Sugar Refining Co. owned by him at cost with 6 per cent interest. The matter was laid over.

Minutes of the executive committee, Wednesday, December 11, 1895, at 12 m.:

A subscription of \$100 was authorized toward the promotion of the Torrey bankruptcy bill in Congress.

Minutes of executive committee, Thursday, February 13, 1896, at 12 m.:

The secretary reported the holding on the 11th instant of the annual meetings of the Philadelphia refineries and the election of the following boards, to wit:

Franklin Sugar Refining Co.—T. A. Havemeyer, H. O. Havemeyer, Jno. E. Searles, W. W. Harrison, and Geo. H. Frazier. Mr. T. A. Havemeyer, president; Mr. W. W. Harrison, vice president; Mr. Jos. A. Ball, treasurer; Mr. Jos. T. Brian, secretary.

Spreckels Sugar Refining Co.—T. A. Havemeyer, H. O. Havemeyer, Jno. E. Searles, Geo. H. Frazier, and Jos. A. Ball. Mr. T. A. Havemeyer, president; Mr. Geo. H. Frazier, vice president; Mr. Jos. A. Ball, treasurer; Mr. Jos. T. Brian, secretary.

Manufacturing committee, no report.

On motion adjourned.

Minutes of executive committee, Thursday, February 20, 1896, at 12:

The treasurer reported the purchase of 743 shares of the stock of the Baltimore Sugar Refining Co. for the amount of the loan to Wm. Deford, i. e., \$62,412.

Minutes of executive committee, Wednesday, March 4, 1896, at 12 m.:

On motion it was

Resolved, That it is the sense of the committee that the contracts of the Western Sugar Refining Co. with the Hawaiian planters be not renewed, and the secretary was instructed to communicate with San Francisco by wire.

The treasurer submitted in outline propositions for the establishment of three central factories in Louisiana for the manufacture of refining sugar.

On motion it was voted that for the establishment of such factories at a cost of \$1,000,000, this company will take a three-fourths interest.

On motion the matter was referred to the treasurer for further report as to details.

On motion adjourned.

Minutes of the executive committee, Wednesday, March 11, 1896, at 12 m.:

The secretary reported having communicated with San Francisco in accordance with instructions at the last meeting and that a satisfactory reply had been received.

He also reported progress respecting the Louisiana sugar plants.

Minutes of executive committee, Wednesday, March 18, 1896, at 12 m.:

The secretary presented correspondence from San Francisco confirming telegraphic report concerning Hawaiian business.

Minutes of executive committee, Wednesday, April 8, 1896, at 12 o'clock m.:

The secretary also submitted proposed new contracts between the Western Sugar Refining Co., the Watsonville Beet Sugar Co., and Chino Beet Sugar Co. for the coming year, which were, on motion, approved.

Minutes of executive committee, Wednesday, April 15, 1896, at 12 m.:

The president recommended the reemployment of Mr. Geo. H. Frazier, as manager in Philadelphia at a salary of \$10,000, to be paid by the Franklin Sugar Refining Company.

The recommendation was, on motion, adopted.

Minutes of executive committee, Wednesday, May 20, 1896, at 1.30 p. m.:

The treasurer submitted for approval form of contracts for Louisiana sugars for the next crop. The matter was referred to the officers with power.

Minutes of executive committee, Wednesday, June 3, 1896, at 12 m.:

The treasurer was authorized to make a subscription of \$1,000 to the relief fund in St. Louis.

Minutes of executive committee, Wednesday, June 10, 1896, at 12 m.:

The manufacturing committee were instructed to investigate and report upon the value of machinery in the Portland Refinery.

On motion the discontinuance of the factor plan, the mode and the time were left to the discretion of the president.

Minutes of executive committee, Wednesday, June 24, 1896, at 12 m.:

The matter of consolidation of Philadelphia companies was referred to Theo. A. Havemeyer, Jno. E. Searles, and Jno. E. Parsons with power.

Minutes of executive committee, Wednesday, July 1, 1896, at 1.30 p. m.:

Matter of subscription to the Herald free ice fund was left to the discretion of the treasurer.

Minutes of executive committee, Wednesday, July 8, 1896, at 12 m.:

On motion, the treasurer was authorized to subscribe an amount not exceeding \$500 for the furnishing of the Forty-seventh Regiment Armory in Brooklyn.

Minutes of the executive committee, Wednesday, July 29, at 12 m.:

On the recommendation of the manufacturing committee leave of absence was granted Mr. Von Leenhoff, of the Brooklyn Distilling Co., to visit distilleries in Europe using the Effront process.

Minutes of executive committee, Wednesday, August 5, 1896, at 12 m.:

At the request of the manufacturing committee leave of absence was granted Dr. Sternberg to accompany Mr. Von Leenhoff on his trip to Europe in the interest of the distillery.

Minutes of executive committee, Wednesday, September 2, 1896, at 12 m.:

On motion, the question of the Camden refinery was referred to the president, treasurer, and counsel of the company, with power.

Minutes of executive committee, Wednesday, September 16, 1896, at 12 m.:

On motion, it was decided to postpone the commencement of work at the distillery for the present.

Minutes of executive committee, Wednesday, September 23, 1896, at 12 m.:

It was resolved that the Franklin refinery be closed on the 1st of October indefinitely.

Minutes of executive committee, Wednesday, September 30, 1896, at 12 m.:

On motion, the Brooklyn refinery was ordered closed on Monday next, the 5th inst., and the melt of the Standard of Boston reduced to 750,000 pounds.

Minutes of executive committee, Wednesday, October 7, 1896, at 12 m.:

The treasurer of the company was authorized to vote the stock of this company in favor of the following board as directors of the Baltimore Sugar Refining Co. at the ensuing annual meeting to be held on the 13th inst., viz: C. Morton Stuart, George H. Frazier, T. A. Havemeyer, John E. Searles, F. O. Matthiessen, William Dick, H. O. Havemeyer.

On motion, adjourned.

Minutes of executive committee, Wednesday, October 14, 1896, at 12 o'clock m.:

The secretary presented a report from Mr. Eastwick recommending the purchase of the New Orleans & Southern Railroad, with branches, at public sale, on October 26, at a price not to exceed \$50,000, as preliminary to investments in sugar plantations on the line of the railroad for the purpose of a central factory. On motion, the treasurer was authorized to arrange for the purchase at the limit fixed.

The manufacturing committee was authorized to take the necessary steps to protect the machinery in the distillery pending the commencement of work.

Minutes of executive committee, Wednesday, October 21, at 12 m.:

The secretary reported progress in the matter of bridge approaches, also the Camden refinery, regarding which he was authorized to procure a set of blue prints of the buildings and machinery at a cost not to exceed \$250, also to assent to the giving of a deed to the West Jersey & Seashore Railroad Co. of certain rights on Delaware Avenue.

The secretary also reported correspondence respecting beet-sugar business in California.

On motion, the Spreckels refinery was authorized to work an additional 5,000,000 pounds during October.

On motion, the vice president was authorized to expend the sum of \$4,250 monthly to care for the Franklin Sugar refinery property and maintain its organization.

Minutes of executive committee, Wednesday, November 4, 1896, at 12 m.:

The secretary reported that in the matter of the New Orleans & Southern Railroad the property had been bought in by the bondholders. No further action was taken concerning that proposition.

On motion, the treasurer was authorized at the ensuing meeting of the Baltimore Sugar Refining Co. to appoint Mr. J. C. Spence secretary and treasurer.

Minutes of executive committee Wednesday, November 18, 1896, at 1 p. m.:

The secretary reported the result of the election of the Baltimore Sugar Refining Co., but stated that in view of the statutes requiring a majority of the board to be citizens of Maryland, a new election would be necessary.

The secretary was authorized to make a contribution to the Swedish Hospital fair of not exceeding five barrels of sugar.

Minutes of executive committee, Wednesday, November 25, 1896, at 12 m.:

On motion the sale of the East Boston Refinery was authorized at a minimum price of \$125,000.

On motion the president was authorized to take the necessary steps for the formation of a corporation for the coffee-roasting business and the manufacturing committee was instructed to report plans for the utilization of one of the company's Brooklyn properties for such purpose.

Minutes of executive committee, Wednesday, December 2, 1896, at 12 m.:

The committee on coffee business reported progress.

Minutes of executive committee, Wednesday, December 16, 1896, at 12 m.:
The treasurer was authorized to purchase the outstanding stock of the Baltimore refinery.

Minutes of executive committee, Wednesday, December 23, 1896, at 12 m.:
On motion the president was authorized to purchase the minority interest in the capital stock of the Woolson Spice Co.
The president was authorized to make a five-year contract with John R. Okell at \$6,000 per annum as in connection with sugar or coffee business or in any other capacity in which his services may be required.

Minutes of executive committee, Wednesday, December 30, 1896, at 12 m.:
The president reported the purchase of 620 shares additional of the Woolson Spice Co.
The secretary reported progress in Bridge property negotiations, and also in purchase of stock of the Baltimore Sugar Refining Co.
He was authorized also, in his discretion, to subscribe \$100 to the Tax Reform Association and to purchase for the office building fire extinguishers.

Minutes of the executive committee, Wednesday, February 3, 1897, at 12 m.:
Authority was given to the treasurer and (or) vice president to vote the stock of the company at the annual meeting of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co.

Minutes of executive committee, Wednesday, February 10, 1897, at 12.15 p. m.:
Mr. T. A. Havemeyer reported the holding of the annual meetings of the Franklin and Spreckels companies in Philadelphia and the reelection of the same boards of directors and officers.

Minutes of executive committee, Wednesday, April 21, 1897, at 12 m.:
Report was made in the matter of coffee plant and preliminary plans submitted. On motion detailed plans were authorized to be prepared.

Minutes of executive committee, Wednesday, June 23, 1897, at 12 m.:
Mr. Charles Watson was present and submitted plans for the erection of a coffee plant at Kent Avenue and North Third Street, and on motion the treasurer was authorized to make all necessary contracts for the construction of the plant, as also for roasting machinery.
At the request of the president all matters pertaining to the purchase and sale of coffee, including a recommendation of Mr. Sielcken for future purchases, were referred to the treasurer with power.

Minutes of executive committee, Wednesday, June 30, 1897, at 12 m.:
The mercantile committee recommended the reduction of meltings to the following basis, which was approved, viz: Havemeyers & Elder, 4,000,000 pounds; Matthlessen & Wiechers, 1,500,000 pounds; Spreckels, 1,500,000 pounds; Boston, 1,000,000 pounds.

Minutes of executive committee, Wednesday, July 7, 1897, at 12 m.:
It was voted to transfer from the Camden refinery eight centrifugal machines, the 12-foot vacuum pan, and the Lillie apparatus to the Franklin Refinery, also to the H. & E. refinery six centrifugal machines.

Minutes of executive committee Wednesday, July 14, 1897, at 12.30:

The recommendation of the manufacturing committee that the Franklin Refinery be put in thorough order, after which all men to be discharged except watchmen, firemen, and engineers, was adopted.

Minutes of executive committee Wednesday, August 11, 1897, at 12 m.:

On the recommendation of the manufacturing committee the transfer was authorized of a 12-inch upright engine from the Camden Refinery to Jersey City, and a 12-foot copper pan with pumps, etc., to the Spreckels Refinery for sweet water.

Minutes of executive committee Wednesday, September 1, 1897, at 12 m.:

Present: W. B. Thomas, William Dick, F. O. Matthiesen and John E. Searles.

On motion it was voted to discontinue work at the Spreckels Refinery for two weeks, also the Boston Refinery for one or two weeks.

Minutes of executive committee Wednesday, September 8, 1897, at 12 m.:

The secretary reported correspondence relating to the Camden Refinery.

On motion it was voted not to take any further steps toward the installation of distillery plant until further action.

On the recommendation of the manufacturing committee the beer contract with the Malcom Brewing Co. was amended, making the price \$4.14 instead of \$4.10, by reason of additional tax.

Minutes of executive committee Wednesday, September 22, 1897, at 12 m.:

On motion it was—

Resolved, To keep the Philadelphia Refinery closed another week.

Minutes of executive committee Wednesday, September 29, 1897, at 12 m.:

On motion the treasurer was authorized to vote the stock of the company at the annual meeting of the Baltimore Sugar Refinery Co., on the 12th of October.

On motion it was voted to close the Brooklyn house at the end of this week, also to keep the Franklin closed for another week.

Minutes of executive committee Wednesday, October 6, 1897, at 12 m.:

It was voted to start the Spreckels Refinery next week, the Boston Refinery to remain closed as also the Brooklyn, H. & E. to be started when repairs are completed.

Minutes of executive committee Wednesday, October 13, 1897, at 12 m.:

The treasurer reported the election at the meeting of stockholders of the Baltimore Sugar Refinery Co., on the 12th instant, of John Gill, N. P. Bond, James C. Spence, John E. Searles and F. O. Matthiesen, as directors, and as officers: John Gill, president; John E. Searles, vice president; James C. Spence, secretary and treasurer. Also the fixing of the salary of the president at \$1,000 per annum.

On motion the report was accepted and approved.

The treasurer was authorized to donate \$100 to the Commercial Travelers Sound Money League and to expend \$1,000 for an advertisement in the Wholesale Grocer, of Chicago.

Minutes of executive committee Wednesday, October 20, 1897, at 12 m.:

The treasurer was authorized to transfer the dynamos from the Camden refinery to the Brooklyn coffee plant.

Minutes of executive committee Wednesday, October 27, 1897, at 3 p. m.:

The president reported the starting of the Boston Refinery and proposed reduction of output in Jersey City and Philadelphia to 1,000,000 pounds each.

The treasurer was authorized to negotiate the sale of the Camden Refinery property.

Minutes of executive committee Wednesday, November 24, 1897, at 12 m.:

On the recommendation of the president, Mr. Niese was instructed to go at once to Germany to investigate beet-sugar culture, both in the manufacturing and agricultural departments and to make a written report on same to the committee.

Minutes of executive committee Wednesday, December 8, 1897, at 12 m.:

Minutes of previous meeting read and approved.

Mr. Thomas reported that on the recommendation of the president, sugars had not been shipped from New Orleans. He said that in view of the ability of Mr. Havemeyer to direct the sugar business, from this time on he resigned his position as manager of the raw and refined departments.

Minutes of executive committee Wednesday, December 29, 1897, at 12 m.:

The secretary reported having made a contract with the Potter Parlin Co. for 10 coffee roasters for the American Coffee Co. at a cost of \$15,000, with the option of 10 more for \$12,500, which was approved.

Minutes of executive committee Wednesday, January 26, 1898, at 12 m.:

On motion, the treasurer was authorized to vote the stock of the company at the annual meetings of the Spreckels Sugar Refining Co. and the Franklin Sugar Refining Co. for the following directors, viz:

Franklin Sugar Refining Co.—H. O. Havemeyer, John E. Searles, F. O. Matthiessen, W. W. Harrison, George H. Frazier. Spreckels Sugar Refining Co.—H. O. Havemeyer, John E. Searles, C. H. Senff, Joseph A. Ball, George H. Frazier.

A letter was presented from Mr. Robert Oxnard, of San Francisco, relating to purchase of additional lands near Watsonville—10,000 acres at \$20 per acre—and on motion it was voted that in case said lands are purchased they be for the account of the Spreckels Sugar Co.

Minutes of executive committee Wednesday, March 23, 1898, at 12 m.:

The transfer of the mixer in the melting house of the Camden refinery to the Franklin Refinery, Philadelphia, was also authorized.

Minutes of executive committee Wednesday, April 27, 1898, at 12 m.:

A subscription of \$100 was authorized to the Third Battery for their armory.

Minutes of executive committee Wednesday, May 18, 1898, at 12 m.:

Messrs. H. O. Havemeyer and W. B. Thomas were appointed a committee with full power to contract on behalf of the American Sugar Refining Co. for any or all the Hawaiian sugars and for their delivery in New York or San Francisco for a period not exceeding five years and to lease the Crockett Refinery in San Francisco.

Minutes of executive committee Wednesday, June 8, 1898, at 11 a. m.:

The expediency of selling the D. & D. property at North Third and North Fourth Streets, Brooklyn, was referred to Messrs. F. O. Matthiessen and C. H. Senff.

Minutes of executive committee Wednesday, August 3, 1898, at 12 m.:

On motion, the recommendations made by the president for reduced meltings were approved.

The president submitted communications from the Western Refinery, dated July 28, on the subject of Hawaiian contracts, which were approved.

On motion, the question of beer contract for Jersey City and Williamsburg refineries was referred to Mr. F. O. Matthiessen with power.

Minutes of executive committee Wednesday, August 17, 1898, at 12 m.:

Mr. F. O. Matthiessen reported that he had made a contract with the Malcom Brewing Co. at \$4.92 per barrel for one year according to analysis submitted. Price includes internal-revenue tax, with benefit of any reduction in the tax.

Minutes of executive committee Wednesday, October 5, 1898, at 12 m.:

The chairman stated that the price of granulated sugar had been reduced to 5 cents and other grades in proportion, which was approved.

On motion, it was ordered that the Brooklyn Refinery discontinue making hard sugar; that the Boston refinery melt according to the eastern demand; and that H. and E., M. and W., and the Spreckels refinery when reduced be reduced pro rata to their capacity.

EXTRACTS FROM THE MINUTES OF MEETINGS OF THE EXECUTIVE COMMITTEE OF
THE AMERICAN SUGAR REFINING CO., VOLUME II.

Minutes of executive committee, Wednesday, November 9, 1898, at 12 m.:

Mr. Helke was ordered not to give any financial report whatever to anybody, including the officers of the company, except the president.

Resolved, That the extension of the railroad from Salinas to King City, Cal., about 40 miles, at a total cost not to exceed \$500,000, for tracks and equipment be authorized.

Minutes of the meeting of the executive committee held Wednesday, January 18, 1899, at 12 m.:

The president was authorized to contribute \$250 to the New York Reporters' Club.

The contracts with the Western Sugar Refining Co., in reference to the Hawaiian Island sugars (dated December, 1898), were ordered to be executed by the president and the secretary.

The appropriation for the connecting of the Spreckels Refinery with the Delaware Sugar House by tunnel was increased to \$10,000.

On motion, the enlargement of the New Orleans Refinery beyond that originally intended, and at an increased cost of \$100,000 was authorized.

Minutes of the regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, January 25, 1899, at 12 m.:

On motion, it was

Resolved, That C. R. Helke be, and he hereby is, authorized to attend on behalf of The American Sugar Refining Co. the stockholders' meetings of the Brooklyn Cooperage Co., the Brooklyn Transportation Co., the Brooklyn Distilling Co., and the United States Sugar Refining Co., and to vote the shares of the capital stock held by the American Sugar Refining Co. in those companies. (For amendment to this resolution see the minutes of the following meeting.

On motion, the meeting adjourned.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, February 1, 1899, at 12 m.:

The minutes of the last meeting were read and on motion they were amended by the addition to the resolution giving C. R. Heike the authority to attend on behalf of the American Sugar Refining Co. the stockholders' meetings of the Brooklyn Cooperage Co., the Brooklyn Transportation Co., the Brooklyn distilling Co., and the United States Sugar Refining Co., and to vote the shares of the capital stock held by the American Sugar Refining Co. in those companies, of the following words: "And the said C. R. Heike is hereby directed to vote the stock of the American Sugar Refining Co. at the stockholders' meetings of the four companies as follows: At the meeting of Brooklyn Cooperage Co. for H. O. Havemeyer, Lowell M. Palmer, W. B. Thomas, F. O. Matthiessen, and Charles H. Senff as directors of that company. At the meeting of the Brooklyn Transportation Co. for H. O. Havemeyer, Lowell M. Palmer, W. B. Thomas, F. O. Matthiessen, and Charles H. Senff as directors of that company. At the meeting of the Brooklyn Distilling Co. for H. O. Havemeyer, Lowell M. Palmer, W. B. Thomas, F. O. Matthiessen, and Charles H. Senff as directors of that company. At the meeting of the United States Sugar Refining Co. for George H. Frazier as director for three years, W. W. Frazier, jr., as director for two years, W. W. Harrison as director for two years, C. R. Heike as director for one year, John Mayer as director for one year of that company.

The minutes of the last meeting with the foregoing amendment were then approved.

On motion, Mr. George H. Frazier was employed on behalf of the company, and particularly the Philadelphia office, at an annual salary of \$10,000.

On motion, it was ordered that a five years' contract be made with Mr. Arthur Donner for his employment by the company at an annual compensation of \$25,000.

On motion, the salary of C. R. Heike, the secretary and auditor of the company, was increased to \$15,000 per annum to commence with January 1, 1899.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, February 8, 1899, at 12 m.:

On motion, the president and Mr. L. M. Palmer were appointed an advertising committee to examine the various advertising features and to report to the executive committee.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, February 15, 1899 at 12 m.:

The minutes of the last meeting were read and approved.

On motion, it was—

Resolved, That C. R. Heike be authorized to attend in behalf of the American Sugar Refining Co. the next stockholders' meeting of the American Coffee Co. or any adjournment thereof, and that he may be directed to vote the shares owned by the American Sugar Refining Co. of the American Coffee Co.'s capital stock, for the election of the following persons, as directors of that company for one year, viz: H. O. Havemeyer, Charles H. Senff, Lowell M. Palmer, Wash. B. Thomas, John Mayer.

On motion, Mr. W. B. Thomas was authorized to equip the Standard Refinery with 2-pound carton packages.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Thursday, February 23, 1899, at 12 m.

The minutes of the last meeting were read and approved.

On motion, it was—

Resolved, That Mr. W. B. Thomas be added to the advertising committee, and that full power be given to the committee to advertise sugar and coffee in any part of the country and to the extent deemed desirable to them.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, March 1, 1899, at 12 m.:

The minutes of the last meeting were read and approved.

The Woolson Spice Co. was authorized to expend from March 1, 1899, up to \$300,000 for premiums, salesmen, and advertising.

A gratuity of \$1,000 was granted to the children of Frank Maher, an old employe of the company who had died last week, to be handed to the executors of his estate.

Regular meeting of the executive committee, held at 117 Wall Street, N. Y., on Wednesday, March 22, 1899 at 12 m.:

The president was authorized to contract for advertising of sugar and coffee in street cars for up to \$125,000 a year; to advertise in newspapers in Pennsylvania, Virginia, and Texas, and to make provision for those States for requisite bill posting, booklets and metal signs (\$100,000 account American Sugar Refining Co., \$25,000 account American Coffee Co., account Lion brand).

Mr. L. M. Palmer was authorized to contract for a two months' supply of advertising cards to be put in the 2 and 5 pound packages, say 8,000,000 cards, at an average cost of \$600 per 1,000,000; the cards to be of 20 designs (account American Sugar Refining Co.).

An expenditure was authorized of \$23,000 for one year for the publication, through Mr. Deland, according to his estimate marked No. 1, in the evening daily papers reaching the middle and lower classes in the principal cities east of the Mississippi River (account American Sugar Refining Co.).

Regular meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, March 29, 1899, at 12 m.:

Mr. L. M. Palmer, of the advertising committee, reported on the contract made with Mr. Lorin F. Deland for publication in the evening daily papers reaching the middle and lower classes, in the principal cities East of the Mississippi River, in accordance with the resolution passed at the last meeting. The total cost, exclusive of Mr. Deland's commission, is not to exceed \$23,000, and Mr. Deland's commission is to be 10 per cent on the final (net) amount paid.

Regular meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, April 12, 1899 at 1.30 p. m.:

The minutes of the last meeting were read and approved.

It was ordered that the building of the Oxnard Refinery at the corner of Dock and Water Streets in Brooklyn be taken down in accordance with the requirements of the building department of Brooklyn that had served notice on the company that the building was unsafe.

Regular meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, June 21, 1899, at 1 p. m.:

On motion, a contribution of \$250 to the First Infantry Illinois National Guard at Chicago was authorized.

Regular meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, August 16, 1899 at 12 m.:

The president also reported the contract made with the Paul Weidmann Brewing Co. for the delivery to the refineries in Jersey City and Brooklyn of the beer required during the year ending August 8, 1900, at \$4.75 per barrel of 81½ gallons. Details per contract.

A statement was presented to the meeting which gave the details of the account of the American Coffee Co. with this company and which showed that in addition to the \$100,000 paid for the capital stock of the American Coffee Co., the American Sugar Refining Co. had made various loans to the American

Coffee Co. for the purpose of acquiring the stock of the Woolson Spice Co., of erecting the coffee-roasting plant in Brooklyn, of purchasing green coffee, and for the payment of current expenses, including taxes, fire insurance, and the cost of the Lion coffee advertising campaign, and the total of which loans up to date amount to \$2,921,145.78.

On motion the action of the president in making these loans to the American Coffee Co. was approved and confirmed, and he was authorized to make a further advance to that company of \$400,000 for the payment of a cargo of Java coffee purchased through W. H. Crossman & Bro.

On motion the president was authorized to reduce the selling price of refined sugar 18 cents per 100 pounds, to commence on August 17, 1899, and he was also authorized, in his discretion, to enter into business relations with the trade, and in such manner as will appear to him best for the interests of the company.

A contribution to the National Wholesale Grocers' Association of \$2,500 was authorized.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, September 6, 1899, at 12 m.:

The minutes of the last meeting were read and approved.

The president reported on his correspondence with the Western Sugar Refining Co. in regard to the extension of the Hawaiian sugar contracts for three years, and on motion he was authorized to make the agreement with the Western Sugar Refining Co. to take the surplus of the sugar not required by them.

Mr. Palmer reported on the four stave plants which are being built to supply the company with the required barrel staves, and which are located at Poplar Bluff, Mo.; St. Marys, Elk County, Pa.; Oswayo, Potter County, Pa.; and Cross Forks, Potter County, Pa., and he stated that the total cost would be between \$250,000 and \$300,000. It was decided that the property of the three Pennsylvania plants should be held in the name of a separate corporation, and on motion Mr. Palmer was authorized to form for the purpose a company under the laws of the State of Pennsylvania to be called the "Pennsylvania Stave Co.," and with a nominal capital, and he was requested to consult Mr. John G. Johnson, the Philadelphia counsel of the company, in reference to the details of the incorporation.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, September 20, 1899, at 12 m.:

The minutes of the last meeting were read and approved.

On motion the president was authorized to reduce the selling price of refined sugar $\frac{1}{2}$ cent per pound.

Mr. Palmer reported on the formation of the Pennsylvania Stave Co., in accordance with resolution passed at the meeting of September 6, 1899, and on motion it was

Resolved, That the directors of the company for the first year should be Lowell M. Palmer, H. O. Havemeyer, Charles H. Senff, Washington B. Thomas, and George H. Frazier, and the officers: Lowell M. Palmer, president; George H. Frazier, vice president; and A. Ward Brigham, secretary and treasurer.

The attention of the committee was called to the annual meeting of the stockholders of the Baltimore Sugar Refining Co., which is to be held at Baltimore on October 10, 1899, and on motion it was

Resolved, That C. R. Heike be, and he hereby is, authorized to attend on behalf of the American Sugar Refining Co. the stockholder's meeting of the Baltimore Sugar Refining Co., to be held on October 10, 1899, or any adjournment thereof, and to vote the shares of the capital stock held by the American Sugar Refining Co. in that company for the election of the following persons as directors of the Baltimore Sugar Refining Co., to serve one year, viz, John Gill, Nicholas P. Bond, James C. Spence, George H. Frazier, C. R. Heike.

The repairing of the Baltimore & Ohio Railroad pier, leased by the Baltimore refinery, was authorized at an expense of \$15,000.

The repairing of the Almond Street stores of the Franklin Sugar Refinery at Philadelphia, at an expense of \$1,500, was authorized.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, November 8, 1899, at 12 m.:

The attention of the meeting was called to the proposed reduction of the capital stock of the United States Sugar Refining Co., of Camden, N. J., and on motion it was

Resolved, That the capital of the United States Sugar Refining Co., now consisting of \$1,700,000 (viz, \$1,000,000 of common stock and \$700,000 of preferred stock), be reduced to \$10,000, to be represented by 100 shares of \$100 each of common stock; and it was

Further resolved, That C. R. Helke be, and he hereby is, authorized to attend the special meeting of the United States Sugar Refining Co.'s stockholders, called for the purpose, as the attorney of the American Sugar Refining Co., and to vote the American Sugar Refining Co.'s stock for the reduction of the capital of the United States Sugar Refining Co. to \$10,000.

The secretary reported that in obedience to the instructions given him at the meeting of September 20, 1899, he had attended the annual meeting of the stockholders of the Baltimore Sugar Refining Co., at Baltimore, on October 10, and that the five gentlemen named by the committee had been duly elected directors of the Baltimore company. He reported also that he had availed himself of the opportunity of being in Baltimore to look into the accounts of the company at the refinery as well as at the city office in Commerce Street; that he had found the books well kept and in good order; and that he had trial balance of the ledger and other statements put on file in his office. The cash on hand of the company consisted of \$93,542.44, of which \$236.73 were in the safe of the office in Commerce Street, \$991.72 on deposit with the First National Bank of Baltimore, and \$92,313.99 on deposit with the Mercantile Trust and Deposit Co. The latter, the trust company, had allowed interest on the deposit at the rate of 2 per cent to July 1, 1899, 3 per cent from July 1 to October 1, and that beginning with October 1 the rate was 4 per cent per annum.

Regular meeting of the Executive committee, held at 117 Wall Street, New York, on Monday, January 29, 1900, at 1.30 p. m.:

The Brooklyn Cooperage Co. was permitted to increase the charge for sirup barrels by 15 cents each for all the barrels delivered to the several refineries, including Philadelphia, and commencing on January 1, 1900.

Regular meeting of the executive committee held at 117 Wall Street, New York, on Monday, February 5, 1900, at 12 m.:

The minutes of the previous meeting were read and approved.

The president was authorized, at his discretion, to contribute \$5,000 to the National Association of Retail Grocers.

The attention of the meeting was called to the annual stockholders' meetings of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co., to be held at Philadelphia on Wednesday, February 7, 1900, and on motion it was resolved that George H. Frazier be authorized to attend the stockholders' meetings of the two Philadelphia corporations on behalf of the American Sugar Refining Co. and that he be directed to vote the shares held by the American Sugar Refining Co. in the two companies for the election of the following gentlemen as directors for the ensuing year, viz:

Franklin Sugar Refining Co.: H. O. Havemeyer, Charles H. Senff, W. W. Harrison, Lowell M. Palmer, George H. Frazier.

Spreckels Sugar Refining Co.: H. O. Havemeyer, Charles H. Senff, Wash. B. Thomas, Lowell M. Palmer, George H. Frazier.

The officers of the Franklin and the Spreckels Sugar Refining Cos. to be chosen shall be the following, and the same for both companies, viz, H. O. Havemeyer, president; Charles H. Senff, vice president; George H. Frazier, treasurer; W. W. Frazier, jr., secretary; Joseph A. Ball, assistant treasurer.

The meeting then adjourned.

Regular meeting of the executive committee, held at 117 Wall Street, New York, on Monday, February 19, 1900, at 12 m.:

The minutes of the previous meeting were read and approved.

On motion, the brokerage to be paid to W. A. Havemeyer & Co. on refined sugar sold by them at Chicago was increased to 10 cents per barrel.

On motion, the president was authorized to contract for the purchase of Hawaiian sugars of the years 1901, 1902, and 1903, in accordance with letter from O. T. Sewall of Williams, Dimond & Co., dated San Francisco, February 8, 1900.

The president and Mr. Palmer were appointed a committee to consider the proposal received from Cornell University for the purchase of timber lands and the erection of a wood-alcohol plant.

Regular meeting of the executive committee, held at 117 Wall Street, New York on Monday, April 21, 1900, at 12 m.:

On motion, it was resolved that the vacancy in the directories of the California companies, caused by the death of Mr. Oswald Rothmaler, be filled as follows: In the Western Sugar Refining Co., by the election of Mr. A. F. Morrison; in the Spreckels Sugar Co., by the election of Mr. Thomas Brown; and in the Pajaro Valley Railroad Co., by the election of Mr. A. F. Morrison.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, September 4, 1900, at 12.15 p. m.:

The president reported that he had made further loans to the American Coffee Co. for the current expenses of the company, the advertising of Lion coffee, and the purchasing of green coffee for account of the Woolson Spice Co., and that the amount due the American Sugar Refining Co from the American Coffee Co. on August 31, 1900, was \$3,903,096.03, and, on motion, the action of the president in making these loans to the American Coffee Co. was approved and confirmed.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, September 12, 1900, at 11 a m.:

On motion the treasurer was authorized to pay \$1,000 to the Texas sufferers through the relief committee organized by the New York Chamber of Commerce.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 25, 1900, at 12 o'clock:

The president reported that in addition to the \$1,000 voted at the last meeting as a contribution to the Texas sufferers he had paid for the same object \$500 through the New Orleans office and \$250 from the Franklin Refinery at Philadelphia, which was approved.

On motion a payment of \$500 to the Forty-seventh Regiment National Guard of New York, for the improvement of their armory, as stated in Col. Eddy's letter to Mr. H. O. Havemeyer of September 21, 1900, was authorized.

The president reported that he had closed the Continental Refinery in Boston last Monday, which was approved, and on motion he was directed to close the Brooklyn Refinery at the end of this week.

On motion the president was authorized to allow a special trade discount of 1 per cent on sales of refined sugar at his discretion, and to such parties as he may select.

Meeting of the executive committee held at 117 Wall Street, New York, on Thursday, December 27, 1900, at 12 m.:

On motion W. A. Havemeyer & Co. were authorized to reimburse themselves for loss on sales in the northwest by the purchase of New Orleans refined sugar.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 8, 1901, at 11.30 a. m.:

On motion authority was given for the erection at the American Coffee Co.'s plant in Brooklyn of one large roaster for roasting of coffee with coal direct, as recommended in H. E. Niese's letters of December 27, 1900, and January 5, 1901, at an estimated cost of \$2,800.

A leave of absence of three months, beginning on February 1, 1901, was granted to the president.

On motion it was ordered that all matters pertaining to law and tariff be referred to Mr. John E. Parsons during the absence of the president.

On motion it was declared to be the policy of the company to maintain a margin of 1 cent net between the prices of 96° centrifugal sugar and fine granulated, and the raw and refined sugar department was placed in charge of Mr. Arthur Donner during the absence of the president.

On motion the general management of the business during the absence of the president was put in charge of Mr. Lowell M. Palmer.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 22, 1901, at 2.30 p. m.:

On motion it was recommended to the Woolson Spice Co. to expend \$200,000 in 1901 for the advertising of Lion Coffee.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 29, 1901, at 12 m.:

The transfer to the credit of the American Coffee Co. of \$412,500, being the balance of the amount of \$500,000 credited to American Coffee Co., depreciation account on December 31, 1899 (less \$87,500 expended for advertising in 1900), was authorized.

Loans to the National Sugar Refining Co. of New Jersey, at the discretion of the treasurer, were authorized.

The salary of the secretary C. R. Heike was fixed at \$20,000 per annum, to commence January 1, 1901.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 21, 1901, at 12 m.:

The attention of the meeting was called to the annual stockholders' meetings of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co. to be held at Philadelphia this week, and on motion it was

Resolved, That George H. Frazier be authorized to attend the stockholders' meetings of the two Philadelphia corporations on behalf of the American Sugar Refining Co., and that as Mr. Charles H. Senff had requested that his name be withdrawn from the board of directors, Mr. Frazier be directed to vote the shares held by the American Sugar Refining Co. in the two companies for the election of the following gentlemen as directors for the ensuing year, viz, of the Franklin Sugar Refining Co.: H. O. Havemeyer, W. W. Harrison, Lowell M. Palmer, George H. Frazier, and Arthur Donner; of the Spreckels Sugar Refining Co.: H. O. Havemeyer, Washington B. Thomas, Lowell M. Palmer, George H. Frazier, and Arthur Donner.

The officers of the Franklin and Spreckels Sugar Refining Co.s to be chosen shall be the following, and the same for both companies: H. O. Havemeyer, president; Arthur Donner, vice president; George H. Frazier, treasurer; W. W. Frazier, jr., secretary; Joseph A. Ball, assistant treasurer.

The president reported that he had purchased (in all, up to date) 933 shares, equal to just three-quarters of the capital stock of Almacenes de Deposito in Habana, and on motion he was authorized to buy the remaining shares at the price of the recent purchase.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 4, 1901, at 11.15 a. m.:

The minutes of the previous meeting were read and approved.

A payment of \$50 to the Central Labor Union of Brooklyn was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 11, 1901, at 2.15 p. m.:

A change in the by-laws of the Franklin Sugar Refining Co. and of the Spreckels Sugar Refining Co. that the directors need not be stockholders of the company was authorized.

The secretary reported on information received from San Francisco that the Spreckels Sugar Co. had purchased the Ehrman interest (374 shares) in the Pajaro Valley Railroad Co., that M. Ehrman had resigned as director of the company, and that Thomas Brown would be elected in his place, which was approved.

The secretary presented to the meeting a balance sheet of the American Coffee Co.'s ledger showing that the amount due the American Sugar Refining Co. from the coffee company on June 10, 1901, was \$3,762,438.52. which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Monday, June 24, 1901, at 12 m.:

The president presented a communication received from W. H. Hannam in reference to the lease between the California Sugar Refinery and the Western Sugar Refining Co. dated September 30, 1897, and on motion the Western Sugar Refining Co. was authorized to sign a new and revised lease in accordance with the recommendations by Counselor A. F. Morrison in his letter to W. H. Hannam of January 15, 1901, and with the modifications as proposed by W. H. Hannam in his letter to H. O. Havemeyer dated San Francisco. June 11, 1901.

An offer received from Charles Godchaux for the sale to the company of his whole output of Louisiana sugar was referred to the president for action.

On motion the sale of 3,500 shares of common stock and 3,500 shares of preferred stock of the American Sugar Refining Co.'s stock held in the treasury of the company was authorized and Mr. W. B. Thomas was requested to effect the sale at the best possible prices.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, August 6, 1901, at 11 o'clock a. m.:

The president reported to the committee the sugar and coffee situation.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 3, 1901, at 10.30 a. m.:

The minutes of the last meeting were read and approved.

On motion an appropriation of \$100,000 was made to the Brooklyn Cooperage Co. for the erection of an alcohol plant at Tupper Lake, and an additional appropriation of \$25,000 for the Adirondack Mills and Racquet River Railroad.

Mr. Donner reported to the committee on the sugar and coffee situation.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 1, 1901, at 2 o'clock p. m.:

The secretary reported that since the presentation of the balance sheet of the American Coffee Co.'s ledger to the committee at the meeting of June 11, further loans amounting to \$649,991.24 had been made to the coffee company by the American Sugar Refining Co., of which \$500,000 had been used to make advances against green coffee purchased for the Woolson Spice Co., which was approved.

The secretary called the attention of the committee to the annual stockholders' meeting of the Baltimore Sugar Refining Co. to be held in Baltimore on October 8, 1901, for the election of directors and officers for the coming year, and on motion it was decided that the present board of directors and officers should be reelected.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, November 6, 1901, at 11.15 a. m.:

The treasurer reported that he had purchased \$1,000,000 bonds of the new issue of 3½ per cent Pennsylvania Co.'s bonds of 1916, at 97½ net, which was approved.

The president read a letter received from Mr. John E. Parsons in reference to the Porto Rico cases and bill for his services in the matter, and on motion it was decided that the company pay to him for the services rendered in the suits for recovery of duty and interest on the Porto Rico importations \$10,000, and that in addition \$5,000 be paid to Mr. Carlisle. The committee also expressed its willingness to agree to a suitable compensation for the services in the Philippine Islands suits which are now pending.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 10, 1901, at 11 o'clock:

Mr. Thomas reported on the situation of the strike of the teamsters in Boston and he was authorized to grant an increase in the wages.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 17, 1901, at 2 p. m.

Mr. Havemeyer reported on vacancies in the board of directors of the Woolson Spice Co., caused by the death of Mr. James Secor, the president of the company, and the resignation of Mr. John H. Doyle and Mr. Charles T. Lewis; that these vacancies had been filled by the election of P. B. Woolson, S. P. Jermain, and G. B. Hill, and that Mr. George W. Elder had been elected president, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 14, 1902, at 11.30 a. m.:

Payment to Mr. John E. Parsons for his services in the Porto Rico cases at the equal rate to 10 per cent of the amount collected was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 28, 1902, at 11 a. m.:

A renewal for five years of the following contracts was authorized: With J. T. Witherspoon at an annual salary of \$25,000; with S. C. Hooker at an annual salary of \$25,000; with Theod. L. Keppler at an annual salary of \$10,000; with C. F. Briddon at an annual salary of \$7,000.

On motion, the meeting adjourned.

Pages 71 to 74, inclusive, were removed from the book by order of the executive committee. See minutes of meeting of March 25, on page 78.

Corrected minutes of the meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 18, 1902, at 11 a. m.:

The secretary called attention to the annual stockholders' meeting of the Western Sugar Refining Co. to be held on March 31, and on motion the reelection of the old board of directors was recommended.

The president made reports on the properties at Manzanola, Colo.; Eaton, Colo.; Longmont, Colo.; and Fort Collins, Colo., which were approved.

The president read a program, laid out by Mr. F. M. Brigham and approved by Mr. Sielcken, for the expenditure of \$500,000 during the year 1902 for general advertising, premiums, etc., by the Woolson Spice Co., and which, on motion, was ratified and approved.

Minutes of the meeting of the executive committee held at 117 Wall Street, New York, on Thursday, March 20, 1902, at 11 a. m.:

The committee appointed at the directors' meeting of March 4 to consider the relations of the American Sugar Refining Co. and the National Sugar Refining Co. of New Jersey, report that they have received a communication from the president, Mr. H. O. Havemeyer, that he can not be present at any of the meetings of the executive committee or of the board of directors of the American Sugar Refining Co., which are to consider the matter, or in any way give advice in connection therewith, for the reason that he has a large interest in the common stock of the National Co. The committee further report that, in their opinion, it is desirable that the American Sugar Refining Co. should acquire the common stock of the National Sugar Refining Co. of New Jersey, and they recommend that the vice president and the treasurer be authorized to consult the owners of the common stock of the National Sugar Refining Co. of New Jersey and counsel as to best means to securing this end and to report.

On motion, the report was accepted and approved, and it was resolved that the vice president and the treasurer be authorized to consult the owners of the common stock of the National Sugar Refining Co. of New Jersey and counsel, as recommended by the committee, and to report to the executive committee.

On motion, the meeting adjourned.

Minutes of the meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 25, 1902, at 11 a. m.:

The minutes of the meeting of March 18 were read, but not approved, and the leaves containing them, viz, pages 71 to 74, inclusive, were ordered to be removed from the book, and the secretary was directed to report corrected minutes at the next meeting of the committee.

The president presented to the committee an offer to purchase the Peninsular & Alma stock (Michigan), which was declined.

The president reported the purchase of the stock of the Eaton refinery, in Colorado, which was approved.

On motion the transfer of the balance of the profit and loss account of the American Coffee Co. on December 31, 1901, to the profit and loss account of the American Sugar Refining Co. was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Monday, April 21, 1902, at 11 a. m.:

An appropriation to the American Coffee Co. of \$3,000 authorized by President Havemeyer for the stoners and glazers at the Brooklyn factory, in addition to the \$1,500 allowed at the meeting of January 28, was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 13, 1902, at 11 a. m.:

Mr. Havemeyer stated that he had an interest in the Sanilac Beet Sugar Co., which was approved.

A contribution of \$1,000 to the Martinique sufferers through the relief committee of the New York Chamber of Commerce was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 27, 1902, at 11 a. m.:

The president stated that he had told Mr. Eckels that the company would probably buy a one-half interest in the consolidation of the LeGrand, Logan, and Ogden factories, with a capitalization for the whole property of \$2,300,000, and which is to include \$500,000 of cash assets.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 10, 1902, at 2 p. m.:

The secretary presented the statement rendered by Mr. W. G. Beal of his expenses in Cuba from January 1 to May 31, 1902, amounting to \$2,382.55, which was approved.

On motion a contribution to the National Retail Grocers' Association of \$5,000, to be paid to E. G. Ashley, the treasurer of the association, at Toledo, Ohio, was authorized.

The vice president and the treasurer reported that pursuant to the resolution of the board of directors passed on March 20 last, they had consulted Mr. Havemeyer in regard to the acquisition of common stock of the National Sugar Refining Co., and that Mr. Havemeyer had stated that he did not care at the present time to take the matter up.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 17, 1902, at 11 a. m.:

The president reported that all the refineries were working, including the house at New Orleans, but excepting the Eastwick house of the M. & W. refinery in Jersey City, and that the company was 200,000 barrels of refined sugar oversold, but that in view of the fact that our quotation is 20 cents above that of foreign granulated, he deemed it inadvisable to raise the price.

The president called attention to the raw stock of the company.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 24, 1902, at 11 a. m.:

The president reported that he had reduced the meltings at the Louisiana refinery to 7,500,000 pounds per week, beginning July 4.

The president reported the purchase from David Eccles, for \$1,151,925, of one-half of the capital stock of the Logan, Ogden, and Oregon Sugar Companies, and which is to be exchanged for one-half of the capital stock of the new company, to be organized on July 3, 1902, and which is to be a consolidation of the three companies.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, July 8, 1902, at 2 o'clock p. m.:

The president reported the purchase of one-half of the Michigan Sugar Co. at \$200,000.

The treasurer reported a loan to the Alma Sugar Co. of \$10,000, which was approved; also payment to the Great Western Sugar Co. of \$10,000 to be used in current expenses, which was also approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, July 15, 1902, at 11 a. m.:

President H. O. Havemeyer then withdrew from the room and Arthur Donner took the chair.

The committee, consisting of Messrs. Senff, Palmer, and Donner, appointed at the directors' meeting of July 8, 1902, to negotiate with the estate of F. C. Havemeyer for the purchase of the Monaghan and McCormack plots of land in Williamsburg, reported that they had examined the property, and that they recommend its purchase by the American Sugar Refining Co. for \$36,500, and on motion it was resolved that the company purchase from the estate of F. C. Havemeyer the property mentioned, which lies between Kent Avenue and River Street and on the north side of North Second Street in Brooklyn, and the dimensions of which are 110 feet 7 inches by 150 feet by 116 feet 7 inches by 150 feet, at \$36,500, as recommended by the committee.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, August 5, 1902, at 11 a. m.:

A contribution to the Central Labor Union in Brooklyn of \$50 was authorized.

The renewal of the contract with the Grocery Trade Publishing Co. for advertising in the American Grocer for one year from August 6, 1902, but at the reduced amount of \$1,000 per annum was authorized.

The president reported on a contract made with the Paul Weidmann Brewing Co. to supply the Jersey City and Brooklyn refineries with beer during the year commencing August 8, 1902, at \$4.40 per barrel of 31½ gallons, details per contract, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, September 10, 1902, at 11 o'clock a. m.:

Loans to the Great Western Sugar Co. of Colorado of one-half of the amount required for the present campaign were authorized. (The total amount required by the company is estimated at from \$150,000 to \$200,000.)

The building of a beet sugar factory at Fort Collins, Colo., was authorized.

The president reported the purchase of one-half interest in the beet sugar factory to be built at Windsor, Colo., which was approved.

The president reported that he had purchased 1,000 shares of the stock of the Eaton Sugar Co. at \$12.50 per share, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 16, 1902, at 11 a. m.:

The president reported the purchase of \$312,500 of the capital stock of the Fort Collins Sugar Manufacturing Co., which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 7, 1902, at 11 a. m.:

The minutes of the meeting of September 30 were read and approved.

On motion, Mr. Edward M. Shepard and his law firm of Smith & Harkness were appointed the counsels of the Brooklyn Cooperage Co. and the firm of Parsons, Closson & McIlvaine the counsels of the American Sugar Refining Co.

On motion, the president was authorized, at his discretion, to employ the deposits of money to the best interest of the company.

It was moved, seconded, and unanimously adopted that the president be directed, and at a time within his discretion, to reduce the price of refined sugar to within one-half cent of the cost of centrifugals of 96 test.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 21, 1902, at 2 o'clock p. m.:

The purchase of the Minnesota Sugar Co., at St. Louis Park, Minn., was left to the discretion of the president.

The president was authorized to reduce the meltings at the M. & W. refinery to 6,000,000 pounds per week, and those of the Spreckels refinery to 9,000,000 pounds per week; the closing of the Brooklyn refinery at the end of the month was left to his discretion.

The president submitted to the consideration of the board the proposition contained in W. H. Hannam, secretary of the Western Sugar Refining Co.'s letter of October 10 in regard to dismantling the Watsonville beet-sugar factory.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 11, 1902, at 11 a. m.:

The treasurer reported that he had made a three months' loan to the Alma Sugar Co. of \$50,000, interest at 5 per cent per annum, which was approved.

The secretary reported that the Pennsylvania Stave Co. would issue certificates of its capital stock, and he was directed to have five shares put in the name of each of the five directors and the remaining 225 shares in the name of the Brooklyn Cooperage Co. The directors of the company are Lowell M. Palmer, C. H. Senff, H. O. Havemeyer, W. B. Thomas, and George H. Frazier. The officers of the company are Lowell M. Palmer, president; George H. Frazier, vice president; and A. W. Brigham, secretary and treasurer.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 18, 1902, at 2 o'clock p. m.:

On motion, the transfer of the Longmont beet sugar contracts to the Great Western Sugar Co. was authorized.

On motion, the subscription to one-half of the stock of the East Tawas (Mich.) Beet Sugar Co. was authorized.

The secretary reported that a loan had been made to the Great Western Sugar Co. of \$100,000, interest at 6 per cent, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on November 25, 1902 (Tuesday), at 11 o'clock a. m.:

The president was authorized to construct a beet-sugar factory at Longmont, Colo., if his efforts to transfer the Longmont beet contracts to the Great Western Sugar Co. be not successful.

The president was authorized to subscribe to the stock of a construction company to be formed to build two beet-sugar factories at Fort Morgan and at Brush, Colo.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 23, 1902, at 11.30 a. m.:

The president reported that he had subscribed to \$300,000 of the stock of the Menominee River Sugar Co., of Michigan, the whole capital stock of which is \$825,000.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 6, 1903, at 11.30 a. m.:

The secretary reported the exchange of 100,000 shares of stock of the Utah Sugar Co. (old company) for 150,000 shares of common stock and 150,000 shares of preferred stock of the Utah Sugar Co. (new company).

The company's interest in the Baltimore Sugar Refining Co. and the lease by that company of the pier from the Baltimore & Ohio Railroad Co. were discussed, and the renewal of the lease on the present terms was recommended.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 13, 1903, at 11 o'clock a. m.:

The secretary read a letter from Mr. John Gill, the president of the Baltimore Sugar Refining Co., in reference to the 169 shares of common stock and 85 shares of preferred stock of the Baltimore company, owned by Isidor Rayner, and the committee declined to authorize an offer for the stock.

A 60 days' loan to the Alma Sugar Co. of \$25,000, at 5 per cent per annum, was approved.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 20, 1903, at 11 a. m.:

The president was authorized to purchase stock of the Alameda Sugar Co. and to enter into an agreement with that company for the sale of their sugar.

Contract with Patrick J. Kavanaugh and the purchase of the Union Pacific Tea Co. were approved.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, January 27, 1903, at 11 a. m.

The president was authorized to sell to C. C. Morey and M. D. Thatcher, of Colorado, to each \$50,000 of the stock of the Longmont Beet Sugar Co.

Minutes of the meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, February 3, 1903, at 11 o'clock a. m.

The president was authorized to purchase one-half of the Blackfoot, Idaho, sugar enterprise, in accordance with Mr. Cutler's letter of January 28, 1903.

An appropriation was made to the American Coffee Co. of \$7,000, for the erection at the Brooklyn factory of the eighteen packing machines from F. W. Bird & Son, which amount is to include the cost of shafting and of iron coffee storage bins.

The secretary called attention to the annual stockholders' meetings of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co., to be held in Philadelphia to-morrow, and, on motion, the re-election of the present directors and officers of both companies was authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, February 10, 1903, at 11 o'clock a. m.:

The renewal of the loan to the Alma Sugar Co. of \$50,000, due February 13, was authorized.

On motion, the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, February 17, 1903, at 12.05 p. m.:

The purchase of 8,500 shares of stock of the Alma Sugar Co., owned by Mr. Burt, at \$12 per share or better, was left to the discretion of the president.

Subscription to \$250,000 of the stock of the Morgan County Construction Co., of Colorado, was authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, February 24, 1903, at 11.30 a. m.:

On motion, it was decided to credit the American Coffee Co. with \$75,000 for loss on cargo of Java coffee in store in Brooklyn, and with \$609,481.70 for loss on Woolson Spice Co.'s business in 1902, and that these amounts be debited to The American Sugar Refining Co.'s profit and loss account.

It was further resolved that the amount of \$402,855.68, set aside in December, 1898, on the books of The American Sugar Refining Co. as "American Coffee Co.'s depreciation account," be transferred to the books of the American Coffee Co.

Mr. Arthur Donner was asked to take charge of the coffee business of the American Coffee Co. and the Woolson Spice Co., and to conduct it without loss.

On motion, the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, March 10, 1903, at 11 o'clock a. m.:

The secretary called attention to the annual stockholders' meeting of the Western Sugar Refining Co., to be held at San Francisco on March 30, and, on motion, it was decided that the old board of directors should be reelected, and that proxies of our stock be given to Mr. Hannam.

It was decided that Mr. Chas. W. Waterman be permitted to subscribe at par for \$15,000 of the stock of the Longmont Beet Sugar Co., with the understanding that the stock is to be for his personal use.

On motion, it was resolved that the company acquire 13,500 shares of the stock of the Alameda Sugar Co. (of the par value of \$25 each) at \$35.50 per share, and that the papers in regard to the purchase be referred to Mr. John

E. Parsons for approval. It is a condition of this purchase that an agency agreement be made with the Alameda Sugar Co. for the sale by The American Sugar Refining Co. of the former company's product at a commission of one-quarter cent per pound.

A statement of the condition of the German-American Beet Sugar Co., at Salzburg, Mich., was presented to the meeting, and, on motion, it was resolved that the capital of the company be increased from \$300,000 to \$750,000; that the \$450,000 be issued at 80 per cent, or \$360,000 cash, of which \$400,000 (cash \$320,000) be taken by The American Sugar Refining Co., and \$50,000 (cash \$40,000) by Mr. Rasmus Hanson.

A donation of 5 barrels of sugar to the Salvation Army, at 535 Lorimer Street, Brooklyn, was authorized.

The equipment of the Woolson Spice Co.'s plant at Toledo, with automatic sprinklers, at a cost of about \$10,000, in accordance with F. M. Brigham's letter of March 4, was authorized.

On motion, the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, March 24, 1903, at 11 o'clock a. m.:

Proxies in the name of Thomas R. Cutler for the stockholders' meeting of The Utah Sugar Co., on April 6, were authorized.

The purchase of \$65,000 of the stock of the Bay City Sugar Co. at par was authorized.

The increase of the company's holdings in the stock of the Windsor Sugar Co. by the amount of \$71,700 (making a total of \$496,700) was authorized.

The committee decided to delay, until the return of President Havemeyer, action on A. C. Adams's offer to sell 4,120 shares of the stock of the Eaton Sugar Co. and \$4,000, the amount paid on subscription to 2,000 shares of stock of the Windsor Co.

Permission asked by the professor of chemistry and his class of the State College of Pennsylvania to visit the Spreckels Refinery in Philadelphia was refused.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, April 21, 1903, at 2 p. m.:

A donation of \$50 to the Forty-Seventh Regiment for quarters at Creedmoor was authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, May 5, 1903, at 11 a. m.:

A contribution to the Firemen's Mutual Benevolent Association of Greater New York (James D. Clifford, president) of \$100 was authorized.

The president and Mr. Donner were appointed a committee to acquire interests in grocery houses, if they deem it expedient for the interest of the company.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, May 19, 1903, at 11 a. m.:

The president reported the purchase of \$100,000 of the stock of the Sebewaing Sugar Co. at par, and \$151,500 of the stock of the Saginaw Sugar Co. at 75 per cent, which was approved. A further offer of \$225,000 of the Sebewaing Sugar Co.'s stock was declined.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, May 26, 1903, at 11 o'clock a. m.:

Letter written to W. H. Crossman & Bro. about coffee, dated May 26, 1903, and signed by Mr. H. O. Havemeyer as president of the American Coffee Co., was approved.

Mr. Rayner's offer to sell his stock in the Baltimore Sugar Refining Co. was referred to the president.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 2, 1903, at 11 o'clock a. m.:

Mr. Palmer was authorized to subscribe to one-half of the stock of a water company to be organized and which is to supply the Laquin Stave Mill with water. The whole capital will be about \$15,000, and the other half will be taken by the Union Tanning Co.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 9, 1903, at 11 a. m.:

The president was authorized to pay an assessment of 25 per cent on the stock of the Saginaw Sugar Co. held by the company. (The amount will be \$37,875.)

A contribution of \$2,500 for the western flood sufferers, to be paid to Mayor Low's Committee, was authorized, also of \$250 for the sufferers at Argentine, Kans.

On motion the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 30, 1903, at 11 a. m.:

Purchase of stock of the Great Western Sugar Co. of Colorado was left to the discretion of the president and the treasurer.

Action on the California situation in regard to cane as well as beet sugar was left to the discretion of the president and the treasurer.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, July 7, 1903, at 11 a. m.:

A loan to the Great Western Sugar Co. of \$50,000 for one year at 6 per cent interest was authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, July 14, 1903, at 11 a. m.:

A contribution to the Central Labor Union of \$50 was authorized; also a contribution of \$100 to the Knights of Labor, of Brooklyn.

A six months' loan to the Bay City-Michigan Sugar Co. of \$100,000, with interest at the rate of 6 per cent per annum, was authorized.

On motion the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, July 28, 1903, at 11 o'clock a. m.:

The purchase of stock of the Valley Sugar Co. in Michigan was referred to the president and Mr. Donner; also the reorganization of the Fort Collins (Colo.) Sugar Co.

The proposed operation of the distillery was also referred to the president and Mr. Donner.

On motion the committee authorized the subscription to one-half of the stock of the sugar company to be organized at Teton Switch, Idaho, as outlined in Thomas R. Cutler's letter of July 18, 1903.

On motion the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 11, 1903, at 11 o'clock a. m.:

The president reported on a contract made with the Paul Weidmann Brewing Co. for the beer required by the Brooklyn and Jersey City Refineries for the

year ending August 8, 1904, at \$4.25 per barrel of 31½ gallons. Details per contract.

Messrs. Zaldo & Co. were authorized to expend about \$14,000 for dredging and repairs of wharf at the Hacendados Warehouse in Havana.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 18, 1903, at 2 o'clock p. m.:

A payment of \$500 to the National Irrigation Congress to be held at Ogden, Utah, in September, as a prize for the best exhibit of sugar beets, in accordance with Chairman Fred. J. Kiesel's letter of August 1, was authorized.

The matter of the United States Sugar Refining Co. and the Camden Refinery was brought before the meeting, and the cancellation of the outstanding bonds of \$1,000,000 and the sale of the property at auction was authorized.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 15, 1903, at 11 a. m.

The removal from the Baltimore Refinery of any machinery or other equipment which may be needed at any of the company's other properties was authorized.

Subscription to \$500,000 of the stock of the Ohio Wholesale Grocery Co. was authorized.

The committee declined to authorize the sale of any of the stock of the Great Western Railway Co., of Colorado.

The matter of the opening of a street through the company's property at Greenpoint was referred to Mr. Palmer.

Meeting of the executive committee held at 117 Wall Street, New York, on Thursday, October 1, 1903, at 11 o'clock a. m.:

The secretary called attention to the annual meeting of the stockholders of the Baltimore Sugar Refining Co., which is to be held on October 13, and on motion it was decided that the old board of directors and officers be reelected.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, October 6, 1903, at 11 a. m.:

The president was authorized to reduce the meltings of the Spreckels Refinery to 6,000,000 pounds per week, commencing October 12.

The reduction of the price of refined sugar when necessary, but the price of granulated not to be lower than one-half cent above the price of 96° centrifugal, was left to the discretion of the president and Mr. Thomas.

The treasurer reported that he had anticipated on September 28, the payment for the American Beet Sugar Co's stock due November 1. Interest had been allowed at the rate of 6 per cent annum.

The president was authorized to subscribe to one-half of the stock of the Lewiston Sugar Co., of Idaho, viz, \$250,000 of the capital of \$500,000.

A loan to the Alma Sugar Co. of \$35,000, interest at 6 per cent per annum, was authorized.

Loans to the Great Western Sugar Co. of the amounts required during the next campaign were authorized.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 13, 1903, at 11 o'clock a. m.:

Subscription to the increased capital stock of the Tawas Sugar Co. was left to the discretion of the president.

The president called the attention of the meeting to the Camden refinery, and it was decided that the outstanding bonds be canceled and that the refinery property be sold at auction.

A special payment to Mr. John E. Parsons of \$2,500 was allowed as fee for collecting \$98,002.07 from the Government for refund of duty with interest on cargoes per San Marcos from Porto Rico and Strathern from the Philippines.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 20, 1903, at 11 o'clock a. m.:

George H. Frazier and Arthur Donner were appointed a committee to ascertain the value of the Camden refinery property, and to report.

The president called the attention of the committee to the United States Sugar Refining Co., owned by this company, and it was resolved that its capital be increased from \$10,000 to \$250,000, and that a new board of directors and officers be elected to consist of the following:

* * * * *

On motion the treasurer was authorized, with the approval of the president, to loan the company's fund to the various beet-sugar companies, in which the company is interested.

The president was authorized, at his discretion, to discontinue the melting at refineries to meet the cooperage situation.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 27, 1903, at 11 o'clock a. m.:

The treasurer reported the purchase of additional \$30,000 of the stock of the Fort Collins-Colorado Sugar Co., at par, which was approved.

The president reported that the capital stock of the Idaho Sugar Co. would be increased from \$750,000 to \$1,000,000, and on motion he was authorized to subscribe for one-half of the increase, viz, \$125,000.

The president was authorized to make a difference of 10 cents between the price of granulated sugar in barrels and in bags.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 17, 1903, at 11 o'clock a. m.:

The president submitted a proposition received from Mr. Charles B. Warren, to purchase \$92,000 of the stock of the Alma Sugar Co., of Michigan, at par, plus interest at 6 per cent per annum, from the date of the last dividend paid, and which was referred to him and Mr. Thomas with power.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, November 24, 1903, at 11 o'clock a. m.:

The president reported that he had declined to purchase the Alma stock offered by Charles B. Warren as reported at the meeting of November 17.

The lease by the Western Sugar Refining Co., of a plot of land at the corner of Illinois and Twenty-second Streets in San Francisco, on which to erect a new tank for fuel oil, was authorized. This lease is to be in place of that authorized at the director's meeting of December 2, 1902. The monthly rent is \$137.90, and the California Sugar Refining Co. agrees, at the expiration of the lease, to purchase the oil tank to be erected on the land at cost less 3 per cent per annum for wear and tear.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 1, 1903, at 11 o'clock a. m.:

The president was authorized to give to the Security Trust Co., the trustee under the mortgage on the Camden Refinery property, a surety bond for \$30,000

for the missing coupons, No. 1, of the \$1,000,000 bonds of the United States Sugar Refining Co., and which coupons had been detached when the bonds were first issued.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 15, 1903, at 11 o'clock a. m.:

The consolidation of the Valley Sugar Co. and the Saginaw Sugar Co. of Michigan, under the management of the directors of the Sanilac Sugar Co., was left to the discretion of the president.

The president was authorized, at his discretion, to subscribe to \$350,000 of the common stock of the Higgins Grocery Co.

On motion, the officers of the company were authorized to execute the agreement with the Sugar Syndicate of Mexico, which was presented by the president, and which had been drawn by the counsel of the company.

Meeting of the executive committee held at 117 Wall Street, New York, on Monday, December 28, 1903, at 11 o'clock a. m.:

The president was authorized to execute the contract with Gustav E. Kissel, as approved by Counsel John E. Parsons.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 5, 1904, at 11 o'clock a. m.:

Subscription to \$150,000 of the capital stock of the General Distributing Co. of West Virginia was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 12, 1904, at 11 o'clock a. m.:

The loan of \$500,000 asked by the Utah Sugar Co. was referred to the president and the treasurer.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 26, 1904, at 11 o'clock a. m.:

The sale of the company's interest in the Pajaro Valley Railroad Co. of California, in connection with the Spreckels interest, was authorized, in accordance with W. H. Hannam's letter to Mr. H. O. Havemeyer dated January 13, 1904.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 2, 1904, at 11 o'clock a. m.:

The secretary called attention to the annual stockholders' meetings of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co., which will be held in Philadelphia on January 27, and on motion the reelection of the present directors and officers of both companies was authorized.

The president submitted to the meeting the annual statements of the company for the year 1903, and on motion the sum of \$500,000 was ordered to be transferred from the net profits to the credit of Baltimore Sugar Refining Co. stock account as depreciation of the value of the Baltimore property.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 16, 1904, at 11 o'clock a. m.:

The president presented a statement from the Western Sugar Refining Co. showing their results for the year 1903.

An appropriation of \$250 was made to the Society of Chemical Industry to defray the expenses of their annual meeting in New York in 1904.

Meeting of the executive committee held at 117 Wall Street, New York, on Friday, February 26, 1904, at 11 o'clock a. m.:

A renewal for 90 days of the loan to the Menominee River Sugar Co. of \$75,000, maturing March 14, was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 22, 1904, at 11 o'clock a. m.:

The secretary called the attention of the committee to the annual stockholders' meeting of the Western Sugar Refining Co., to be held at San Francisco on March 28, and on motion it was decided that the present directors and officers of that company be reelected and that proxies for our stock be given to Mr. Hannam.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 29, 1904, at 11 o'clock a. m.:

The president reported on the status of the raw and refined sugar market and the meltings of the company. He stated that he had ordered the meltings of the Spreckels Refinery to be reduced to 6,000,000 pounds weekly and to start the Brooklyn Refinery, which was approved.

The president presented a statement of the Amalgamated Sugar Co., giving the results of the present campaign and of the several Colorado beet-sugar companies. He also reported on the American Beet Sugar Co.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 5, 1904, at 11 o'clock a. m.:

The purchase of 2,325 shares of the capital stock of the Peninsular Sugar Refining Co. at par was authorized; also the purchase of the \$100,000 bonds of the Saginaw Sugar Co. which matured on February 1, 1904.

The purchase of additional \$50,000 of the preferred stock of the General Distributing Co. of West Virginia was authorized.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 12, 1904, at 11 a. m.:

The president stated that he had renewed the contract with Mr. Peterson, and that he had purchased the 2,325 shares of the Peninsular Sugar Refining Co.'s stock; but that the purchase of the \$100,000 bonds of the Saginaw Sugar Co. had been deferred until the stockholders of the Saginaw Valley Co. had acted upon the proposition for an issue of preferred stock of their company.

Permission to use part of the Vilas tract of land in the Adirondacks as a timber preserve was left to the discretion of Mr. Palmer.

The secretary reported that the amounts loaned to the several beet sugar companies for the present campaign had been reduced by remittances, and that the amount outstanding to-day was as follows:

Great Western Sugar Co., \$205,000; Greeley Sugar Co., \$155,000; Eaton Sugar Co., \$200,000; Windsor Sugar Co., \$245,000; Fort Collins (Col.) Sugar Co., \$400,000; Longmont Sugar Co., \$25,000; Utah Sugar Co., \$450,000; Bay City (Mich.) Sugar Co., \$80,000; Menominee River Sugar Co., \$75,000; total, \$1,925,000.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 26, 1904, at 11 o'clock a. m.

The president reported that he had purchased \$375,000 of the common stock of the Eldridge & Higgins Co., of Columbus, Ohio, at par, which was approved. It was decided that the certificates of that stock be transferred to the name of W. F. Foster.

The secretary called the attention of the meeting to the timber lands owned by the company in Missouri and Arkansas, and that the total of the land sold up to March 31, 1904, consisted of 7,354.07 acres, which was approved, and on motion by the president the special committee appointed at the meeting of June 3, 1902, to take charge of the company's lands in Missouri and Arkansas, and which consists of Messrs. Palmer, Thomas, and Donner, was authorized to negotiate further sales of this land at its discretion.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 3, 1904, at 11 o'clock a. m.:

A loan to the Utah Sugar Co. of \$200,000 for two years and at 6 per cent interest per annum was authorized, \$100,000 to be loaned now, and the remainder after the Utah Sugar Co.'s notes held by this company, and which will mature in June and July, shall have been paid.

On motion the following resolution was adopted:

Resolved, That the treasurer call in and pay for the Michigan beet-sugar factories' stocks bought by Messrs. Thomas, Palmer, and Havemeyer for account of the company, with interest at 6 per cent per annum, less such dividends with interest at 6 per cent per annum on same as have been received."

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 24, 1904, at 11 o'clock a. m.:

Contributions of \$50 each to the Central Labor Union of Brooklyn and to the State Federation of Labor of New Jersey were authorized.

It was decided that the certificates of stock of Michigan beet-sugar companies received from Mr. Thomas and Mr. Palmer be transferred to the names of Arthur Donner and C. R. Heike.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, August 30, 1904, at 2.30 o'clock p. m.:

The president reported on a contract made with the Franklin Brewing Co., of Brooklyn, to supply the H. & E. Refinery with the beer required during the year ending August 8, 1905, at \$4 per barrel of 31 gallons, which was approved.

* * * * *

The secretary reported that the amounts of the outstanding loans to the several beet-sugar companies on August 30, 1904, were as follows:

Eaton Sugar Co., \$225,000; Fort Collins Sugar Co., \$500,000; Utah Sugar Co., \$500,000; Sanilac Sugar Co., \$30,000; Bay City (Mich.) Sugar Co., \$80,000; total, \$1,335,000.

On motion Mr. George H. Macy was relieved of his guarantee for the outstanding coupons of the Union Pacific Tea Co.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 20, 1904, at 2 o'clock p. m.:

Subscription of \$12,500 (half of the capital stock) of a small land company to be organized at Tawas, Mich., for the colonization of Russian and German laborers, was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 27, 1904, at 11 o'clock a. m.:

It was decided that the meetings of the Spreckels Refinery be reduced to 9,000,000 pounds per week after October 1, and that, if it were necessary to make further reductions of meltings, the Brooklyn Refinery should be closed.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 25, 1904, at 11 o'clock a. m.:

The sale of the Baltimore refinery property was referred to George H. Frazier.

The purchase of 720 acres of land near Sugar City, Idaho, from Austin Bros. at \$65 per acre, was authorized.

The consolidation of the Idaho Sugar Co. and the Fremont County Sugar Co. was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 15, 1904, at 11 o'clock a. m.:

The renewal of the lease of the California Refinery to the Western Sugar Refining Co., for five years from September 30, 1907, was authorized. This renewal contains a clause that the rights and obligations of the parties of the lease, as affected by the claim made by the city of San Francisco, that certain portions of the land described in the lease are located in public streets, are to be settled by arbitration.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 22, 1904, at 11 o'clock a. m.:

The building of 35 miles of railroad near Windsor, Eaton, and Longmont in Colorado at an estimated cost of \$350,000, and the purchase of 1,320 acres of farm land near the Windsor Sugar Factory, all in accordance with C. S. Morey's letter to Mr. H. O. Havemeyer dated November 17, 1904, were authorized. It was the opinion of the committee that this land (to be purchased) should be held by the company to be leased to beet raisers, and that it should not be sold in the near future.

The doubling of the capacity of the Ogden and Logan factories of the Amalgamated Sugar Co., and the building of the Cache Valley Railroad, as stated in David Eccles's letter to Mr. Havemeyer of November 15, 1904, was authorized.

Payment of our subscription to the capital stock of the Lewiston Sugar Co. was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 29, 1904, at 11 o'clock a. m.:

The purchase of the site for the new refinery at New Orleans recommended by Mr. Niese, which is located east of the New Orleans slaughterhouses and is fronting the Mississippi River, at a cost not to exceed \$75,000, was authorized.

The time for the stockholders of the several Colorado sugar companies to subscribe to the agreement for the formation of the Great Western Sugar Co. of New Jersey, was extended from December 5 to December 30, 1904.

The president was authorized to employ Mr. W. W. Harrison, jr., under a contract which will provide that he may not engage in sugar refining business outside of this company within the next 15 years.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 6, 1904, at 11 o'clock a. m.:

The extension of the Hawaiian sugar contracts for three years from their expiration in 1905 was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 20, 1904, at 11.45 o'clock a. m.:

The construction of the new refinery at New Orleans was referred to a committee composed of H. O. Havemeyer and Arthur Donner. The transfer of a Michigan sugar plant to Sterling, Colo., was also referred to the committee composed of Havemeyer and Donner.

The repayment to H. O. Havemeyer of \$6,050, disbursed by him for legal and other expenses, was authorized.

A loan to Henry T. Oxnard of \$12,500 for one year, at 6 per cent interest against his personal note and collateral security of 1,200 shares of American Beet Sugar Co.'s common stock, was authorized.

On motion it was resolved that the employment of Mr. Lowell M. Palmer and Mr. Henry U. Palmer for the ensuing year be so arranged that it may be terminated by either party and by the company at pleasure, and that their compensation will cease at the termination of their services.

Meeting of the executive committee held at 117 Wall Street, New York, on January 3, 1905, at 11.30 o'clock a. m.

A donation of \$500 by the Brooklyn Cooperage Co. to the Railroad Young Men's Christian Association at Poplar Bluff was authorized.

The secretary called the attention of the committee to the stockholders' meetings to be held of the American Sugar Refining Co. of New York, the Brooklyn Transportation Co., the Brooklyn Distilling Co., and the American Coffee Co., and it was decided that the following persons should be elected directors and officers of the corporations mentioned, viz:

The American Sugar Refining Co., of New York: Directors, H. O. Havemeyer, C. H. Senff, Arthur Donner, W. B. Thomas, Geo. H. Frazier. Officers, Arthur Donner, president; C. R. Helke, secretary and treasurer.

The Brooklyn Distilling Co.: Directors, H. O. Havemeyer, C. H. Senff, W. B. Thomas, Arthur Donner, Geo. H. Frazier. Officers, H. O. Havemeyer, president; Arthur Donner, vice president; C. R. Helke, secretary and treasurer.

The Brooklyn Transportation Co.: Directors, H. O. Havemeyer, C. H. Senff, W. B. Thomas, Arthur Donner, Geo. H. Frazier. Officers, H. O. Havemeyer, president; Arthur Donner, vice president; C. R. Helke, secretary and treasurer.

The American Coffee Co.: Directors, H. O. Havemeyer, C. H. Senff, W. B. Thomas, John Mayer, Arthur Donner. Officers, H. O. Havemeyer, president; Arthur Donner, vice president; C. R. Helke, secretary and treasurer.

C. R. Helke was directed to represent the American Sugar Refining Co. as proxy at the stockholders' meeting of the four corporations mentioned.

On motion the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, January 17, 1905, at 11 o'clock a. m.:

Mr. Frazier reported on an offer he had received for the Camden Refinery property of \$125,000 cash, which he was asked to accept. The purchaser will permit removal of the steel structure of the filter house and the melting house, but we have to agree to leave the brick walls of those buildings intact to include at least the second story, if it is practicable to do so.

On motion, the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, January 24, 1905, at 11 o'clock a. m.:

The president reported on the raw and refined sugar market and the meltings of the company. He stated that the Jersey City Refinery had discontinued to melt on Monday, the 23d.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, January 31, 1905, at 11 o'clock a. m.:

The proposition to sell the preferred stock of the Amalgamated Sugar Co. owned by this company was referred to Messrs. Thomas, Donner, and Frazier, with power.

Authority was given to the president, after entering into a contract with A. V. Officer, the general manager of the Great Western Sugar Co., of Colorado, to sell to him \$25,000 of preferred stock of the Great Western Sugar Co. (of New Jersey) at par with \$25,000 common stock as a bonus.

The president submitted to the company an offer received by him to subscribe to any part of \$600,000 to be expended in the building of a beet-sugar factory at Blissfield, in southern Michigan, in connection with the Continental Sugar Co., of Fremont, Ohio, and on motion he was authorized to subscribe to one-half of the amount, viz, \$300,000.

On motion by Mr. J. E. Parsons, a payment to Carmen F. Randolph, an attorney investigating the Government's relation with corporations, was authorized.

The secretary was authorized to sell the Oxnard Refinery property in Brooklyn for \$25,000.

The attention of the committee was called to the stockholders' meeting of our two Philadelphia companies to be held on February 1, and on motion Mr. George H. Frazier was asked to represent the company at the meetings and to vote its stock for the following directors and officers:

Franklin Sugar Refining Co.: Directors, H. O. Havemeyer, W. W. Harrison, Arthur Donner, W. B. Thomas, George H. Frazier.

Spreckels Sugar Refining Co.: Directors, H. O. Havemeyer, Arthur Donner, George H. Frazier, W. B. Thomas, John Mayer.

Officers, the same for both companies: H. O. Havemeyer, president; Arthur Donner, vice president; George H. Frazier, treasurer; W. W. Frazier, jr., secretary; Joseph A. Ball, assistant treasurer.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 7, 1905, at 11 o'clock a. m.

Payment by the Brooklyn Cooperage Co. of Counselor Edward M. Shepard's bill for \$2,500 was authorized.

Payment by the Great Western Sugar Co. (of New Jersey) to Counselor John E. Parsons of \$5,000 per annum and a further payment for assistance of \$5,000 per annum were authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 21, 1905, at 11 o'clock a. m.:

The following resolution was unanimously adopted:

"Whereas the company's interest in beet sugar factories exceeds by \$3,000,000 the amount originally intended to be invested:

"*Resolved*, That no further large investments be made in any particular factory, that the company's subscription to the Sterling Sugar Co. of Colorado be canceled, and that the company, so far as its interest is concerned, consents to the sale of the machinery and equipment of the Saginaw factory to the Sterling Sugar Co. for \$300,000, and consents, also, to a contract between the Sterling Sugar Co. and the Great Western Sugar Co. for the erection of a factory by the Sterling Sugar Co. to use the machinery and equipment of the Saginaw factory and to provide such other machinery as will provide and equip a factory at Sterling capable of cutting 600 tons of beets daily, and for the purchase of the same by the Great Western Sugar Co. at \$1,500,000, payable half in preferred and half in common stock of that company. If the Great Western Co. desires to use the Steffens process an additional price to be agreed upon.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 28, 1905, at 11 o'clock a. m.

The organization of the staff of the sugar factories in Utah and Idaho, as recommended by Dr. S. C. Hooker and approved by Mr. Thos. R. Cutler, was authorized.

The introduction of the Steffens process in the factory at Lehi of the Utah Sugar Co. and in the factory at Sugar City of the Fremont County Sugar Co., Idaho, was authorized.

The president reported on a company which is being formed to build a beet sugar factory at Holly, Colo., with a capital of \$1,500,000, of which \$700,000 is to be preferred 6 per cent stock and \$800,000 common stock, and on motion the president was authorized to subscribe for the company up to \$75,000 of the stock.

The secretary reported that the subscription of \$300,000 to the Continental Sugar Co. for the building of a beet factory at Blissville, in southern Michigan, as authorized at the executive committee's meeting on January 31 and the directors' meeting of February 14, had been made.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 21, 1905, at 11.30 o'clock a. m.

The president reported that he had authorized the organization at San Francisco of the Western Brokerage Association, to be composed of Messrs. J. D. Spreckels, Jr., and W. H. Hannam, for the purpose of buying and selling raw sugar, in accordance with W. H. Hannam's letter to Mr. H. O. Havemeyer, dated San Francisco (February 24, 1905, which was approved.

Payment to John E. Parsons of \$7,989.17, being 10 per cent of the amount collected in the internal revenue tax cases, was authorized.

The president reported that he had placed in the hands of John G. Carlisle certain claims against the United States for the refund of duties paid upon sugars imported from Porto Rico, and that he had agreed to pay to Mr. Carlisle a contingent fee of 25 per cent of the amount collected on said claims, but to pay nothing for his services in case no part of said claims should be collected, which was approved.

The president presented a copy of a second supplemental lease, dated March, 1905, between the California Sugar Refinery and the Western Sugar Refining Co., which is for the leasing of the wash-house and warehouse No. 8, and is supplemental to the leases which cover the property known as the California Sugar Refinery, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 4, 1905, at 11 o'clock a. m.:

The Idaho Sugar Co. and the Fremont County Sugar Co. were authorized to increase their capital 50 per cent, viz: from \$1,000,000 to \$1,500,000 for each company, and to consolidate the two into one company to be called the Idaho Sugar Co., with a capital of \$3,000,000.

The subscription by the American Sugar Refining Co. to one-half of the increased capital, viz: \$250,000 for the Idaho Sugar Co. and \$250,000 for the Fremont County Sugar Co., was also authorized.

The secretary called the attention of the committee to the annual stockholders' meeting of the Alameda Sugar Co. of California to be held on April 11, 1905, and on motion the reelection of the present board of directors and of the present officers was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 2, 1905, at 11 o'clock a. m.:

A loan to the Northern Construction Co. of Colorado of \$75,000 in accordance with Mr. C. S. Morey's letter of April 25, 1905, was authorized.

The purchase of a corner lot in Denver for the erection of an office building for the Great Western Sugar Co., and at the discretion of Mr. C. S. Morey, was authorized.

The purchase by the Ragus Tea & Coffee Co. of the property at the corner of Washington and Laight Streets, in New York, for the erection of an eight-story building and the loan of \$90,000 made to the company by the American Sugar Refining Co. were approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 9, 1905, at 11 o'clock a. m.:

The president reported on the raw and refined sugar market and the meltings of the company, and on motion special authority was given to him to change

the selling price of refined sugar and including any outstanding contracts at his discretion and to the best interest of the company.

The president read a proposition received from B. F. Yoakum, of the St. Louis & San Francisco Railroad, for the cultivation of sugar cane and the erection of a cane-sugar factory at Brownsville, near the Rio Grande River in Texas, and on motion the committee declined to participate in the enterprise.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 23, 1905, at 11.15 o'clock a. m.:

A letter received from Mr. L. M. Palmer with a proposition for the Brooklyn Cooperage Co. to sell sugar barrels to the Federal Sugar Refining Co. was referred to the president with power.

Mr. Parsons made a report on the status of the Gustav E. Kissell loan, and on motion the settlement of the loan was referred to him with power.

The president read a communication from Mr. H. Rieman Duval, chairman of the board of directors of the American Beet Sugar Co., in reference to the purchase of land in the Arkansas Valley, Colorado, viz: the Mulvane tract of about 6,900 acres at Las Animas at \$45 per acre, and the Riverside tract of about 6,000 acres at Granada and Lamar at \$30 per acre, and on motion it was decided that this company will not participate in the enterprise, but that the entire purchase is to be made by the American Beet Sugar Co.

Messrs. Havemeyer and Donner were appointed a committee to acquire for this company an interest in the Blackfoot beet sugar factory, Idaho, and in the two new factories to be built at Payette and Nampa, in western Idaho.

On motion the committee decided to transfer to Mr. C. S. Morey and his associates the company's subscription to the Morgan County Construction Co. of Colorado on payment of the amount expended, viz: \$12,500, with interest at 6 per cent per annum.

On motion the committee declined to take any interest in the building of the sugar factories at Brush and Fort Morgan, Colo., and at Billings, Mont.

The president reported on a communication received from Mr. C. S. Morey in reference to the Saginaw, Mich., property and the remaining buildings owned by the Sterling Sugar Co. and which are located on the land owned by the American Sugar Refining Co., and on motion Messrs. Arthur Donner, C. S. Morey, and Chas. B. Warren were appointed a committee to make an adjustment between the Sterling Sugar Co. and the American Sugar Refining Co. in reference to this property.

On motion the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, May 31, 1905, at 11 o'clock a. m.:

The special committee consisting of Messrs. Arthur Donner, C. S. Morey, and Chas. B. Warren, appointed to make an adjustment between the American Sugar Refining Co. and the Sterling Sugar Co. in regard to the remaining property of the Saginaw plant, have made and submitted the following report, dated May 23, 1905. "Report that after the Sterling Sugar Co. has removed whatever machinery, structure and buildings it desires from the real estate owned by the American Sugar Refining Co. at Saginaw, Mich., the remaining buildings belonging to the Sterling Sugar Co. be handled jointly with the American Sugar Refining Co. as owner of the real estate and that the proportions of interest in the property be fixed as follows: Sterling Co., twenty thirty-seconds; American Co., twelve thirty-seconds; each party to pay expenses of maintaining and selling property and to share in profits of sale in above proportion," which report, on motion, was accepted by the committee.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 6, 1905, at 11 o'clock a. m.:

On motion, Horace Havemeyer was appointed to the position of assistant of the president, but without compensation and without authority.

The president read a communication from Mr. John E. Parsons in reference to the Kissel loan, in which Mr. Parsons stated that no proposition for the payment of the loan had yet been received.

The president stated that he had authorized Mr. Palmer and counsel Edward M. Shepard on behalf of the Brooklyn Cooperage Co., to commence proceedings against the Cornell University to recover \$379,449.78, the amount expended for railroad and cars, stave plant, chemical plant and dwellings, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 13, 1905, at 11 o'clock a. m.:

The president reported on the status of the raw and refined sugar market. He said that the present quotation for raw sugar was on the basis of 4½ for 96 centrifugal, although a sale had been made at 4¼, and that he had ordered the Jersey City refinery to commence melting on Monday of this week. He stated that the company's meltings during the first 22 weeks of the present year had been 1,032,000,000 pounds as against 1,191,000,000 in 1904, 955,000,000 in 1903, and 1,111,000,000 in 1902.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 20, 1905, at 11 o'clock a. m.:

The president stated that a company had been organized under the laws of the State of Utah, called the Western Idaho Sugar Co., with a capital of \$2,000,000 for the purpose of building beet sugar factories at Payette and at Nampa, Idaho. On motion, he was authorized to subscribe on behalf of the company to one-half (\$1,000,000) of the stock.

The president was also authorized to subscribe on the part of the company to \$600,000 of the capital of \$1,000,000 of a company which it is proposed to organize, to be called the "Sanpete & Sevier Sugar Co. of Utah," and which will build beet sugar factories at Richfield, Sevier County, Utah, and at Sanpete, Utah.

On motion, Messrs. Havemeyer, Thomas, and Donner were appointed a committee to take charge of the company's investments in beet sugar properties and with full authority for the organization and administration of beet sugar companies.

The president stated that a company had been organized under the laws of West Virginia, called the "Compania Mercantil de Cuba," for the purpose of making loans to planters and others on Cuban property. The capital is \$100,000, of which 75 per cent has been subscribed by the American Sugar Refining Co., and 25 per cent by Messrs. Zaldo & Co.; 10 per cent of the capital has been paid in, which was approved.

It is understood that all amounts required by the company will be advanced by our company and by Messrs. Zaldo & Co. in the proportion of 75 per cent and 25 per cent. The company has already made two loans of \$100,000 each; one to Mr. Careno, and one to Madame Ruiz de Gamiz, which were approved, and, on motion, the president and treasurer were authorized, at their discretion, to make further loans to that company, and also loans to other parties on Cuban properties.

On motion, meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 27, 1905, at 11 o'clock a. m.

The president read a letter from the secretary of the Continental Sugar Co., of Cleveland, Ohio, dated June 20, 1905. It stated that a special meeting of the stockholders of that company had been called for July 6, 1905, for the purpose of authorizing an increase of the capital stock of the company from \$1,000,000 to \$1,200,000 and that the increase of \$200,000 was needed to complete the Blissfield works and to enlarge the capacity of the Fremont plant. On motion, the subscription to the additional capital was left to the discretion of the president.

Mr. Parsons reported on the G. E. Kissel loan, the settlement of which had been referred to him by the committee at their meeting of May 23.

On motion, the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, July 11, 1905, at 11 o'clock a. m.

The secretary called attention to the Northern Construction Co., of Colorado, which is engaged in building the 35 miles of railroad called the Highland Lake Extension and Windsor-Eaton Line, and which had been authorized at the committee's meeting of November 22, 1904. He stated that the money required for the building of the road was being advanced by our company, and that the amounts loaned so far were: \$75,000 during the month of May, \$100,000 during the month of June, \$150,000 wanted for July, which was approved, and further loans were authorized for the completion of the road, if approved by Mr. C. S. Morey.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, July 18, 1905, at 11 o'clock a. m.

The president reported that he had authorized the Ragus Tea & Coffee Co. to erect, at an estimated cost of \$130,000, an eight-story building on the corner lot at Washington and Laight Streets, New York, the purchase of which has been approved by the committee at their meeting of May 2, 1905.

On motion, the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 1, 1905, at 11 o'clock a. m.

The proposed sale of the Woolson Spice Co.'s property in Detroit Avenue, Toledo, and which is not used by the company, was left to the discretion of Judge Doyle.

Mr. Frazier reported that the proposed sale of the Camden refinery would probably fall through.

The secretary reported that the Idaho Sugar Co. had acquired the capital stock of the Snake River Valley Sugar Co., at Blackfoot, and that the company would increase its capital from \$3,000,000 to \$5,000,000. He stated that the American Sugar Refining Co. had made a loan to the Idaho Sugar Co. of \$498,750, payable on demand, with interest 6 per cent per annum, against 35,000 shares of the Snake River Valley Sugar stock as collateral, which was approved.

On motion, the meeting adjourned.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 8, 1905, at 11 o'clock a. m.

The president stated that he owned 2,535 shares of the stock of the Snake River Valley Sugar Co., of Blackfoot, Idaho, which he had purchased in April of this year, and which he was willing to sell to the company at cost, with interest to date.

On motion, the president's offer was accepted.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 29, 1905, at 11 o'clock a. m.

The president stated that he had authorized the sale of the Camden refinery property at \$150,000, of which \$60,000 are to be paid in cash, and \$90,000 by a five years' mortgage under the conditions stated in George H. Frazier's letter of August 17, 1905, which was approved.

The president reported that the San Pete & Sevier Sugar Co., of Utah, had been incorporated, with a capital of \$1,000,000, and that the first payment of 10 per cent of the company's subscription to \$600,000 of the stock, as authorized at the executive committee's meeting of June 20, 1905, would be made to-day.

The treasurer stated that he had loaned \$60,000 to the Ragus Tea & Coffee Co., which was approved.

Developments in reference to the establishing of a beet-sugar factory at Chaska, Minn., and the removal to that place of the factory from Tawas, Mich., were referred to the president.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 12, 1905, at 11 o'clock a. m.:

The treasurer reported that he had made a further loan to the Ragus Tea & Coffee Co. of \$15,000 which was approved.

The committee recommended the sale of the Baltimore Sugar Refining Co.'s refinery property after the machinery has been removed, and directed the secretary to correspond with Mr. John Gill in reference to it.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 26, 1905, at 11 o'clock a. m.:

The president reported that he had authorized the incorporation, under the laws of the State of Minnesota, of the Carver County Sugar Co., of Chaska, Minn., with a capital of \$500,000, for the purpose of building and operating a beet sugar factory at Chaska. The American Sugar Refining Co. takes \$300,000 of the stock, payable as soon as the organization of the company is completed, and of the balance of \$200,000 so much from time to time as may be needed and as will not be taken by other parties. The Carver County Sugar Co. will purchase from the Tawas Sugar Co. of Michigan its plant, viz: the building and machinery, for \$300,000 and will remove it to Chaska at its own expense (the cost of which is estimated at about \$200,000). The Tawas Sugar Co. will pay its indebtedness of about \$70,000 from the money received for the plant, and it will distribute the remaining \$230,000 as a dividend to its stockholders, all of which was approved by the committee.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 24, 1905, at 11 o'clock a. m.:

Mr. Donner reported that he had loaned to the Ragus Tea & Coffee Co. \$10,000 which is the first payment towards the cost of erecting a building for the company at the corner of Laight and Washington Streets, New York, in accordance with the executive committee's resolution passed at their meeting of July 18, 1905, which was approved.

Mr. Donner further reported that on October 13 he had loaned to the Compania Mercantil de Cuba \$13,725, which was approved.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 31, 1905, at 11 o'clock a. m.:

The president reported that he had purchased from Godchaux & Co. of New Orleans, 50,000 tons of Louisiana sugar to be delivered during the coming season and at the New York price with an allowance of three-sixteenth cent per pound.

The president reported on the raw and refined sugar market and the meltings and sales of the company; he also gave his views on the beet sugar industry in the west.

The president reported on the present status of the company's loan to Gustave E. Kissel.

The treasurer reported that he had loaned on October 23 to the Northern Construction Co. \$50,000, making a total of \$435,000, and which is the estimated cost of building the railroad called the "Highland Lake Extension and Windsor-Eaton Line."

The secretary reported that on account of the dismantling of filter house No. 1 and 2 of the Greenpoint refinery, and the removal of the filters and other machinery to New Orleans, he had reduced the fire insurance on building and machinery of the Greenpoint plant to \$217,000, which was approved.

The secretary stated that the organization of the Carver County Sugar Co. to build a beet sugar factory at Chaska, Minn., had been completed, and he presented a copy of the certificate of incorporation, which showed that the capital was \$500,000, and that the amount of indebtedness or liability to which the corporation shall be subject at any time should not exceed \$350,000.

The president was authorized to purchase from Mr. Charles B. Warren \$15,000 of the stock of the Bay City (Mich.) Sugar Co. at cost, which is about par.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, November 8, 1905, at 11.15 a. m.:

A loan to the Great Western Sugar Co. of \$2,000,000 was authorized; the rate of interest to be determined later.

Payment to the Idaho Sugar Co. of \$250,000, the first installment of the American Sugar Refining Co.'s subscription to the increased capital stock of that company, was authorized.

The sale of the preferred stock of the Utah Sugar Co., owned by this company, at not less than par, was left to the discretion of the president, Mr. Frazier, and Mr. Donner, or either two of them.

The president reported that he had instructed Mr. Cutler to hold up for the present the building of the beet-sugar factories by the San Pete & Sevier Sugar Co. at San Pete and Sevier in Utah, and by the Western Idaho Sugar Co. at Payette and Nampa in Idaho.

The secretary reported that, in the absence of the treasurer, he had made a further payment of \$5,000 to the Ragus Tea & Coffee Co. on account of the cost of their new building, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 14, 1905, at 11 o'clock a. m.:

The secretary reported that, in the absence of the treasurer, he had made a loan to the Compania Mercantil de Cuba of \$31,125, which was approved.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 21, 1905, at 11.30 a. m.:

The president was authorized to purchase from Charles B. Warren 632 shares of the stock of the Peninsular Sugar Refining Co. of Michigan at par.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 5, 1905, at 11 o'clock a. m.:

The president reported that he had authorized a loan to the Great Western Sugar Co. of \$800,000, which was approved.

The president made a report on the condition of the General Distributing Co. of West Virginia.

The president presented a letter from Mr. Hermann Sielcken, giving his views on the coffee trade and the Woolson Spice Co., and on motion, the management of the company's coffee business was referred to a committee consisting of Messrs. George H. Frazier and Arthur Donner.

The president reported that he had instructed Mr. Thomas R. Cutler not to proceed with the erection of sugar houses at Payette, Idaho, and at San Pete and Sevier, Utah. The contract made for the building of the Payette factory would be transferred to Fort Morgan, Colo.

It was then agreed that the committee would recommend to the board of directors to increase Mr. George H. Frazier's salary to \$20,000 per annum, to commence January 1, 1906.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 12, 1905, at 11 o'clock a. m.:

The president read a letter from Mr. Hermann Sielcken, dated December 6, 1905, in reference to a new brand of coffee to consist of No. 3 Santos, which will be put up by the Woolson Spice Co. The matter was referred to Messrs. Frazier and Donner, the committee in charge of the company's coffee business.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 19, 1905, at 11 o'clock a. m.:

The treasurer reported that he had made a further payment to the Ragus Tea & Coffee Co. of \$7,500 on account of the cost of their new building, which was approved.

On motion by the president, a finance committee of the American Sugar Refining Co. was appointed, to consist of Messrs. W. B. Thomas, chairman, George H. Frazier, and Arthur Donner, and to be in charge of the finances of the company, and it was recommended to the board that this committee be granted full power to sell the company's investments and to buy and reinvest.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 23, 1906, at 11 o'clock a. m.:

The president reported that he had authorized the Great Western Railway Co. to acquire terminals at the Great Western Sugar Co.'s factories at Windsor, Loveland, and Longmont, Colo., at an estimated cost of \$28,000, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 30, 1906, at 11 o'clock a. m.:

In answer to an inquiry from Thomas R. Cutler, the secretary was directed to telegraph to him that the company's holdings of stock in the Idaho Sugar Co. are not for sale.

The Great Western Railway Co., of Colorado, was authorized to purchase, if necessary, the right of way for the 7½ miles of extension from Liberty to Longmont, Colo., the building of which had been authorized at the directors' meeting of January 9, 1906.

The parties representing the company's interests in the Great Western Railway Co., of Colorado, were instructed to authorize the increase of the capital stock of the Great Western Railway Co. from \$600,000 to \$2,000,000, the increase to be issued in payment of certain extensions and improvements and for the acquisition of the property of the Northern Construction Co., of Colorado.

The management of the company's coffee business during the absence of Mr. Havemeyer was referred to Mr. Hermann Sielcken with power, except any appropriations of money, which must first be submitted to the executive committee through Mr. Arthur Donner.

On motion, meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 6, 1906, at 11 o'clock a. m.:

Mr. Frazier made a report on the General Distributing Co., of West Virginia, and on motion the president's action in referring the company's interests in that company to Mr. Frazier with power was approved.

Mr. Donner reported that the president had authorized Mr. Hermann Sielcken to purchase, at his discretion, 50,000 bags No. 3 coffee for the Woolson Spice Co., which was approved.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 6, 1906, at 11 o'clock a. m.:

On motion the Compania Mercantil de Cuba was authorized to make a loan of \$200,000 against first mortgage on the plantation Santa Catalina, situated near Cardenas, the rate of interest to be 12 per cent, and the loan, which will run six to seven years, is to be repaid gradually during that period. The plantation will consign 80 per cent of its product to guarantee the amounts as they become due.

The Brooklyn Cooperage Co. was authorized to increase the price of coffee and sugar boxes 2 cents, in accordance with the increased price of the box shooks.

On motion, the meeting adjourned.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 20, 1906, at 11 o'clock a. m.:

The secretary called the attention of the committee to the annual stockholders' meeting of the Great Western Sugar Co., which will be held at Jersey City on March 28.

Proxies for the company's stock in the Idaho Sugar Co. and the Western Idaho Sugar Co. to be given to Thomas R. Cutler for the election of directors at the annual stockholders' meeting of those companies on April 10, in accordance with Mr. Cutler's letter of March 13, were authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, March 28, 1906, at 2 o'clock p. m.:

Proxies for the company's stock in the Menominee River Sugar Co. and the Peninsular Sugar Refining Co. for the reelection of the present board of directors of those companies at their annual meetings in April were authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 3, 1906, at 11.30 o'clock a. m.:

The Western Sugar Refining Co. was authorized to renew the lease with Guggenheim & Co. for certain buildings at the corner of Filbert and Front Streets in San Francisco, at a monthly rent of \$500, but subject to cancellation on six months' notice, and to cancellation in 30 days in case the refinery is to be operated.

Mr. Thomas reported on the raw and refined sugar situation.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 10, 1906, at 11 o'clock a. m.:

Proxies were authorized for the company's stock in the Alma Sugar Co. to be given to Charles B. Warren, for the annual stockholders' meeting of that company on April 17, 1906, and for the reelection of the present board of directors.

A contribution of \$500 for the expenses of the reunion of Confederate veterans to be held in the city of New Orleans on April 25 was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 17, 1906, at 10.30 o'clock a. m.:

Proxies were authorized for the company's stock in the Carver County Sugar Co., to be given to Charles B. Warren, for the annual stockholders' meeting to be held on May 15, 1906, and for the reelection of the present board of directors.

The treasurer reported a loan made to the Ragus Tea & Coffee Co. of \$7,500.

The secretary read a letter received from Mr. John Gill, of Baltimore, on a local agitation in regard to building a sugar refinery in that city.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 24, 1906, at 10.30 o'clock a. m.:

The treasurer reported a payment of \$50,000 made on account of the company's subscription to the stock of the Carver County Sugar Co., which was approved.

Proxies for the company's stock of the Alameda Sugar Co. for the annual meeting of that company to be held on May 1, and for the reelection of the present board of directors, were authorized.

A letter from the General Distributing Co., asking for the renewal of \$50,000 of their notes held by the National City Bank, and which will mature during the month of May, was referred to Mr. George H. Frazier.

A donation of 1,000 barrels of granulated sugar to the Red Cross Society, for the benefit of the San Francisco sufferers, was authorized.

EXTRACTS FROM MINUTES OF THE MEETINGS OF THE EXECUTIVE COMMITTEE OF THE
AMERICAN SUGAR REFINING CO., VOLUME III.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, May 8, 1906, at 10.30 o'clock a. m.:

Proxies for the company's stock of the Continental Sugar Co. of Ohio for the annual stockholders' meeting of that company to be held on May 9, and for the reelection of the present board of directors were authorized.

A loan of \$15,000 to the Northern Construction Co. of Colorado was authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, May 22, 1906, at 11 o'clock a. m.:

The president reported on the beet-sugar situation in the West, and more particularly in reference to the Great Western Sugar Co. in Colorado.

The secretary reported that Stephen J. Gorman, who had been in charge of the company's office at 15 Exchange Place, Jersey City, had left the employment of the company on account of sickness, and that Lewis E. Cadwell, from the New York office, had been appointed to succeed him, which was approved. Mr. Cadwell is also to be appointed the agent on whom process may be served, in accordance with the New Jersey statute, for the American Coffee Co., the United States Sugar Refining Co., and the Great Western Sugar Co., whose registered New Jersey offices are at 15 Exchange Place.

The president submitted an offer received from Mr. John Gill of \$15,000 for the Baltimore refinery property. The committee declined to act upon the offer and referred the matter to Mr. George H. Frazier for information and report at a future meeting.

The president reported that he had authorized the payment of \$37,500 to the Lewiston Sugar Co. for three-eighths of the new stock of \$100,000 to be issued, in accordance with the company's previous subscription.

The president stated that he had received a letter from Mr. Lowell M. Palmer, in which Mr. Palmer had tendered his resignation as director and president of the Brooklyn Cooperage Co., to take effect on June 1, and in which it was stated that his brother, Mr. Henry U. Palmer, would also retire from the company on June 1.

On motion the committee voted to accept these resignations, as of June 1, but with the understanding that the two gentlemen would continue with the company until July 1 in an advisory capacity, but with a minimum of inconvenience to themselves. The committee also resolved that a meeting of the board of directors of the Brooklyn Cooperage Co. be held on May 29, at which these resignations are to be formally acted upon.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, May 29, 1906, at 11 o'clock a. m.:

The committee authorized proxies to be given to Mr. Warren for the company's stock in the Sanilac Refining Co., for the annual meeting of that company, to be held on June 13, 1906, and for the reelection of the present board of directors.

The proposition to remove to Waverly, Iowa, the Michigan plant of the Bay City (Mich.) Sugar Co. as referred to the president and the vice president for action with power.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 5, 1906, at 11 o'clock a. m.:

On motion authority was given to Mr. George H. Frazier to sell the two dwelling houses owned by the Baltimore Sugar Refining Co., at Baltimore.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 12, 1906, at 11 o'clock a. m.:

The president reported on the coffee situation.

On motion he was authorized, at his discretion, to close the plant in Brooklyn and to transfer the coffee business to Toledo; he was also authorized, at his discretion, to reduce the selling price of Lion coffee to 3½ cents above the value of green coffee No. 7.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 26, 1906, at 11 o'clock a. m.:

The Compania Mercantil de Cuba was authorized to make a loan to Mde. Ruiz de Gamiz of \$200,000 secured by mortgage on the plantation Vitoria (which has a capacity of 100,000 bags of sugar annually, and which had an output this year of 80,000 bags). The loan will draw interest at 12 per cent per annum, and it is to be repaid in five years. The mortgage on the plantation is for \$331,250, and the amount of \$131,250 which is due to other parties, is to be paid ahead of the proposed loan. It has been agreed that there be retained \$1 per bag on the output of the plantation toward the cancellation of that mortgage.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, July 10, 1906, at 11.15 a. m.:

A loan to the Northern Construction Co. of Colorado of \$50,000 was authorized.

The secretary reported that payment would be made this week of \$50,000 on account of the company's subscription to stock of the Western Idaho Sugar Co., and that the remaining payments of that subscription would be made—\$50,000 on August 15 and \$50,000 on October 15, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, July 24, 1906, at 11 o'clock a. m.:

The secretary stated that a payment of \$50,000 had been made on account of the company's subscription to the Carver County Sugar Co., of Minnesota, and that the remainder of the subscription, amounting to \$50,000 would be paid as soon as called by the company, which was approved.

The president reported on a contract made with the Franklin Brewing Co., of Brooklyn to supply the Havemeyers & Elder Refinery in Brooklyn with the beer required during year ending August 8, 1907, at \$4.10 per barrel of 31 gallons, which was approved.

The president submitted a letter received from the Billings Sugar Co. by Mr. C. S. Morey dated July 11, 1906, giving a report on the progress made with the Billings factory and the outlook for the beet crop.

The president stated that he had authorized the organization of a realty company in California which will hold the company's real estate in San Francisco, and with a board of directors identical with that of the Western Sugar Refining Co., which was approved.

On motion the adjustment of the Hawaiian Islands and the New Orleans sugar situations was left to the discretion of the president, with power.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, July 31, 1906, at 11 o'clock a. m.:

The president reported on the proposed organization of the Michigan Sugar Co., which will acquire certain Michigan beet sugar plants in which this company is interested. On motion the matter was referred to a committee consisting of Messrs. Havemeyer and Donner, with power.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, August 28, 1906, at 11 a. m.:

The removal of the Greenpoint sugar warehouse (which is of steel construction) to the new refinery at Chalmette, New Orleans, was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 11, 1906, at 11 o'clock a. m.:

The treasurer was authorized at his discretion to make deposits up to \$200,000 with the Mercantile Trust & Deposit Co. of Baltimore.

Loans to the American Beet Sugar Co. on six months' time, interest at 6 per cent per annum, the total not to exceed \$1,000,000, and against stock of refined sugar valued at 4½ cents per pound, less freight to points of distribution, as collateral, were authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 16, 1906, at 11 o'clock a. m.:

The secretary was authorized to give to all purchasers of sugar and sirup a manufacturers' guarantee warranting that all products made by the company are in accordance with the provisions of the national pure food laws, and more particularly of the act of Congress approved June 30, 1906.

The president reported that the company had not paid the taxes on its property in Brooklyn for the years of 1904, 1905, and 1906 on account of the increase in the assessment, which he had considered excessive, and that proceedings were pending asking for a reduction of assessment on account of overvaluation and inequality.

He stated that he had just authorized an agreement to be made with the comptroller of the city by which the company would pay on account of the taxes for the three years, an amount based on the old valuation, but without prejudice to the company's claim for reduction of the assessment, which was approved.

A communication was read from the Great Western Sugar Co. in which that company stated that it would need to borrow during the months of November and December various amounts, aggregating \$4,350,000. Also a communication from the Billings Sugar Co. in which that company stated that it would need for the months of November and December various amounts aggregating \$650,000. On motion the treasurer was authorized to loan the amounts mentioned to the two companies.

The secretary reported that the organization of the realty company in California, authorized by the committee at its meeting of July 24, 1906, for the purpose of holding the company's real estate in California, had been completed; that its name is the Insular Improvement Co.; that the board of directors consists of J. D. Spreckels, J. D. Spreckels, jr., A. F. Morrison, W. B. Cope, and W. H. Hannam, and that the officers are, J. D. Spreckels, president; J. D. Spreckels, jr., vice president; W. H. Hannam, secretary and treasurer.

The capital of the company is \$250,000, and the American Sugar Refining Co.'s real estate in San Francisco is now being transferred to that company in exchange for its capital stock.

The president stated that he had authorized the organization of a Missouri corporation to hold the company's timber lands in that State. The name to be the St. Francis and Black River Land Co., and the capital \$50,000. There are to be five directors, a majority of whom must be residents of Missouri. The board to consist of William N. Barron, Charles Langlotz, M. L. Horlacher in Missouri, and Robert M. Parker and C. R. Helke in New York. All the details of the organization and the transfer of the timber lands in the company are to be arranged under the supervision of counsel, John E. Parsons, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 30, 1906, at 11 o'clock a. m.:

The president reported on the beet sugar factory to be built at Waverley, Iowa, and to which the Michigan plant of the Bay City (Mich.) Sugar Co. is to be removed. He stated that he had authorized the purchase of a site for the factory at a cost of \$16,000, which was approved, and on motion the organization of the company at Waverley and the building of the plant was referred to the president with power.

The treasurer reported that the loans made to the National Sugar Refining Co. to date amounted to \$2,300,000, which was approved, and on motion the making of loans to the National Sugar Refining Co. was left to the discretion of the finance committee.

The president read the correspondence with H. R. Duval, chairman of the board of directors of the American Beet Sugar Co., in reference to a proposition

made by that company for the building of a sugar factory at Las Animas, Colo. On motion the committee approved the action taken by Mr. Havemeyer and confirmed the letter sent to Mr. Duval stating that the American Sugar Refining Co. would not build a factory at Las Animas to be leased to the American Beet Sugar Co., nor would it lend the requisite sum of money, but that it would very willingly exempt the product of the Las Animas factory from the commission agreement.

The balance sheet of the Carver County Sugar Co. was presented to the meeting, and on motion the treasurer was authorized to make loans to that company as wanted, the total not to exceed \$150,000.

The finance committee reported that it had sold the \$250,000 Baltimore & Ohio Railroad bonds (southwestern division); also up to date \$327,000 of the \$1,000,000 Pennsylvania Railroad 3½ per cent bonds of 1916. As the railroad company has redeemed \$263,000 of the bonds there remain on hand at present \$410,000.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, November 27, 1906, at 11 o'clock a. m.:

The president reported on the proposed beet sugar factory at Waverly, Iowa, to which the Michigan plant from Bay City is to be removed. He stated that a further subscription to the Iowa company by the American Sugar Refining Co. of \$200,000 would have to be made, which was approved.

A loan to the Michigan Sugar Co. of \$1,000,000, with interest at the rate of 6 per cent per annum, was authorized, \$500,000 of the amount to be loaned on December 15, 1906, and \$500,000 on January 15, 1907.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 8, 1907, at 11 o'clock a. m.:

The committee also approved loan made to the Ragus Tea & Coffee Co. on December 26 of \$7,500.

The president called the attention of the committee to the annual stockholders' meeting of the Woolson Spice Co. to be held this month, and the committee authorized the election of the following directors and officers:

Directors: Arthur Donner, Hermann Sielcken, F. M. Brigham, George H. Frazier, S. B. Jermain, John W. Koehrman, Leonard C. Barnes. Officers: President, Arthur Donner; secretary and general manager, F. M. Brigham; treasurer, S. B. Jermain.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 22, 1907, at 11 o'clock a. m.:

The minutes of the last meeting, that of January 8, 1907, were read and approved.

A loan to the Ragus Tea & Coffee Co. of \$11,250 was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 29, 1907, at 11 o'clock a. m.:

The president reported that he had authorized the equipment of the California Sugar Refinery in San Francisco with a complete sprinkler system, at an estimated cost of \$30,000 and at the expense of the Western Sugar Refining Co., which was approved.

The president reported that he had authorized the subscription to \$200,000 of the capital stock of the Iowa Sugar Co. of Waverly, Iowa, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, February 13, 1907, at 11.15 o'clock a. m.:

A letter received from President Gill, of the Baltimore Sugar Refining Co., in which he inquired whether the company desired to sell the refinery property in Baltimore, was referred to a committee consisting of Messrs. Havemeyer, Donner, and Frazier.

The committee approved the action of the president in having given proxies for the annual stockholders' meetings of the Franklin Sugar Refining Co. and of the Spreckels Sugar Refining Co. directing the reelection of the old board of directors.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 19, 1907, at 11 o'clock a. m.:

A special confidential allowance of 10 cents (instead of 5 cents) was authorized to be paid to B. H. Howell Sons & Co. on all soft sugars purchased by them after January 1, 1907.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 26, 1907, at 11 o'clock a. m.:

The Compania Mercantil de Cuba was authorized to make a loan to Francisco Duranoa, owner of the plantation Toledo, of not to exceed \$150,000, secured by first mortgage on the plantation and drawing interest of not less than 12 per cent, or with an interest and commission arrangement equivalent to that rate.

The sale made of \$60,000 of the preferred stock of the General Distributing Co. of West Virginia at 94½ was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 12, 1907, at 11 o'clock a. m.:

Proxies for the annual stockholders' meeting of the Menominee River Sugar Co., to be held on April 9, and for the reelection of the present board of directors and officers, were authorized.

The committee decided that the company's stock in the Great Western Sugar Co. should be voted at the annual meeting of the stockholders of that company for the election of Horace Havemeyer as a director in place of Charles W. Waterman, and for the reelection of the other directors.

The American Coffee Co. was authorized to charge storage to the Woolson Spice Co. on the Green Lion coffee stored at North Second Street, Brooklyn, and at the net rate of 2 cents per bag.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 9, 1907, at 11 o'clock a. m.:

Proxies for the annual stockholders' meetings of the Alameda Sugar Co., the Idaho Sugar Co., the Utah Sugar Co., the Western Idaho Sugar Co., and for the reelection of the present board of directors and officers of those companies, were authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 23, 1907, at 11 o'clock a. m.:

The treasurer stated that under date of April 15 he had made a loan to the Ragus Tea & Coffee Co. of \$15,000, which was approved.

The secretary reported in regard to the loan made by the Compania Mercantil de Cuba to Diaz & Co., for \$200,000 Spanish gold, secured by first mortgage on the Santa Catalina plantation as authorized by the committee at the meeting of March 6, 1906; and that Messrs. Diaz & Co. had failed to pay the second installment under the agreement of \$14,026.66 due on April 1, 1907, the company had taken steps through Messrs. Zaldo & Co. to protect its interests and to foreclose the mortgage, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 14, 1907, at 11 o'clock a. m.:

The secretary reported that proxies had been given to vote the company's stock at the annual meeting of the following companies: The Eldridge Higgins

Co., the Carver County Sugar Co., the Michigan Sugar Co., and the Iowa Sugar Co., with the understanding that the old board of directors and officers be re-elected, which was approved.

The secretary reported that the San Pete & Sevier Sugar Co., of Utah had been dissolved and that the \$60,000 paid by this company on account of subscription to stock had been returned.

The secretary was also asked to communicate with Mr. Frazier in regard to the dissolution of the Baltimore Sugar Refining Co., and to the sale of its refinery property in Baltimore.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 21, 1907, at 11 o'clock a. m.:

The president was authorized to extend the company's agreement with the Sugar Factors Co., (Ltd.), of Hawaii for two years, from October 1, 1908, to October 1, 1910.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 28, 1907, at 11 o'clock a. m.:

The president stated that he had executed the agreement with the Sugar Factors Co., (Ltd.), of Hawaii as authorized at the last meeting and which provides for an extension of the present agreement to October, 1910.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 4, 1907, at 11 o'clock a. m.:

The president read a letter from Parker, Hatch & Sheehan in reference to the assessment for taxation of the company's properties in Brooklyn, and on which the company had claimed a reduction. He gave a list of the several properties on which the commissioner had agreed to make a reduction, and he stated that he had authorized the attorneys to accept the reduction as proposed, which was approved.

The president submitted the annual report of the Continental Sugar Co., and the disastrous results of the last campaign; also a letter from the secretary of the company in reference to the outstanding debts. On motion, the matter was referred to Messrs. Donner and Frazier with power to do what seemed suitable to them to protect the company's interests.

The president reported on a communication from Mr. Thomas R. Cutler, proposing the consolidation into one corporation of the Utah Sugar Co., the Idaho Sugar Co., and the Western Idaho Sugar Co., and on motion it was referred to a committee composed of Messrs. Havemeyer, Frazier, and Donner.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 25, 1907, at 11 o'clock a. m.:

The secretary called attention to the loan made by the Compania Mercantil de Cuba to Diaz & Co., secured by a mortgage on the Santa Catalina sugar estate, and that proceedings had been commenced to foreclose the loan and mortgage. It was decided that if the property had to be bought in by the company it should be put in the name of the Campania Mercantil de Cuba.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, August 13, 1907, at 11 o'clock a. m.:

The president stated that he had received a communication from Thomas R. Cutler, the general manager of the Utah-Idaho Sugar Co., asking for a loan from this company of \$100,000,000. It was his opinion that Mr. Cutler should first call on outside parties and establish a credit with Chicago and Boston banks, which was approved by the committee, but the president was authorized at his discretion to make the loan to the Utah-Idaho Sugar Co., whenever wanted and for the amount named.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, September 17, 1907, at 11 o'clock a. m.:

The president was authorized to lend to the American Beet Sugar Co. \$500,000 against their six months' note, secured by sugar valued at 4 cents a pound.

Loans were also authorized to the Great Western Sugar Co. up to \$5,000,000; Billings Sugar Co. up to \$500,000; Michigan Sugar Co. up to \$750,000.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, October 15, 1907, at 11 o'clock a. m.:

The committee authorized loans to the Iowa Sugar Co. up to \$250,000, and the Carver County Sugar Co. up to \$250,000.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, October 29, 1907, at 11 o'clock a. m.:

The president reported on the raw and refined sugar market, and he stated that he had ordered the closing at the end of this week of the Brooklyn Refinery of the Havemeyers & Elder Plant, which would remain closed during the winter. Also that the M. & W. Refinery would discontinue melting temporarily until there was a relief of the accumulation of the refined sugar on hand.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, November 6, 1907, at 12 o'clock m.

The president reported that he had arranged a loan with the American Beet Sugar Co. of \$500,000 for six months at 6 per cent and secured by sugar valued at 4 cents per pound. He had also arranged to loan to the Utah-Idaho Sugar Co. \$500,000 at 6 per cent, payable in four equal parts, at six, seven, eight, and nine months each, which was approved.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, November 12, 1907, at 11 o'clock a. m.:

A loan to C. S. Morey, of Denver, of \$25,000 for six months, with interest at 6 per cent per annum, and secured by 300 shares of the preferred stock of The Great Western Sugar Co., was authorized.

The secretary stated that The Great Western Sugar Co. had reported the completion of the Officer-Windsor Line of the Great Western Railway Co., and that the total cost was estimated to be \$182,000, of which \$100,000 had already been paid. A further loan for the balance of \$82,000 was authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, November 26, 1907, at 11 o'clock a. m.:

The president was authorized, at his discretion, to make further loans to the Utah-Idaho Sugar Co. of an amount not to exceed \$500,000 and against refined sugar valued at 4 cents per pound.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, December 10, 1907, at 11 o'clock a. m.:

A loan to the Menominee River Sugar Co. of \$50,000 on their four months' note, indorsed by their directors, was authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, December 17, 1907, at 11 o'clock a. m.:

On motion Mr. Horace Havemeyer was elected a member of the committee to fill the vacancy caused by the death of Mr. H. O. Havemeyer. Mr. Havemeyer was notified of his election, and he took his place at the meeting.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, December 24, 1907, at 11 o'clock a. m.:

Mr. Thomas spoke in regard to his compensation from January 1, 1908. He suggested that his present salary as manager of the Boston office be reduced \$10,000, making it \$15,000, and that in addition there be paid to him a salary as president of the company of \$50,000, or a total of \$65,000 per annum, the whole amount to be remitted from the Jersey City office, which was accepted by the committee.

The treasurer was authorized to make advances to Zaldo & Co. on account of purchases of sugar in Cuba and before the shipping documents are received, and for amounts the total of which shall not exceed \$200,000 at any one time.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, December 31, 1907, at 11 o'clock a. m.:

The secretary called attention to the annual stockholders' meetings of the following companies to be held in January: The United States Sugar Refining Co.; the American Coffee Co.; the American Sugar Refining Co., of New York; the Brooklyn Distilling Co.; the Brooklyn Cooperage Co.; the Brooklyn Transportation Co., (Ltd.), and, on motion, the secretary was authorized to represent the American Sugar Refining Co. at these meetings and to vote the company's stock at the election of directors to be held.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, January 14, 1908, at 11 o'clock a. m.:

On the recommendation of H. E. Niese and S. C. Hooker, the preparation of a complete set of standard plans and specifications of all the buildings and machinery required for both a 600 ton and a 1,200 ton beet sugar factory was authorized, the work to be completed within two years, and at a cost not to exceed \$25,000, this amount to include the services of Mr. Godfrey Engl, who is to be employed at a salary of \$5,000 per annum (which may be terminated at any time on three months' notice) and traveling expenses for himself and family to Denver.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, January 21, 1908, at 11 o'clock a. m.

The treasurer was authorized to pay to the Alameda Sugar Co. an assessment on the stock of that company owned by the American Sugar Refining Co. of \$2 per share, and amounting to \$27,000. The money is wanted chiefly for farm lands purchased, and the assesment is made on account of the company's inability to borrow from California banks.

The salary of C. R. Helke was increased to \$25,000 per annum from January 1, 1908.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 28, 1908, at 11 o'clock a. m.:

Mr. Thomas also reported on the Western Sugar Refining Co. and the sugar situation at San Francisco.

Meeting of the executive committee held at 117 Wall Street, New York, Tuesday, February 4, 1908, at 11 o'clock a. m.:

The attention of the committee was called to the annual stockholders' meeting of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co. to be held at Philadelphia on February 5, and the officers of the United States Sugar Refining Co. (in whose name the stock of the two Philadelphia refineries is held) were requested to give proxies to Mr. George H. Frazier for the election of the following directors and officers, and who are to be the same for the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co:

Directors.—W. B. Thomas, George H. Frazier, Arthur Donner, John Mayer, Horace Havemeyer. Officers.—President, W. B. Thomas; vice president, Arthur Donner; treasurer, George H. Frazier; secretary, W. W. Frazier, jr.; assistant treasurer, Joseph A. Ball.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 8, 1908, at 11 o'clock a. m.:

Mr. Thomas stated that it seemed desirable to retain Mr. W. W. Harrison as a director of the Franklin Sugar Refining Co., and Mr. George H. Frazier was requested to confer with Mr. Harrison in reference to it.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 25, 1908, at 11 o'clock a. m.:

Messrs. Donner and Heike were authorized to give proxies for the company's stock standing in their names for the annual stockholders' meeting soon to be held of the following beet-sugar companies and for the reelection of the old board of directors and officers: Utah-Idaho Sugar Co., Amalgamated Sugar Co., Lewiston Sugar Co., Menominee River Sugar Co., Alameda Sugar Co.

They were also authorized to give proxies for the annual stockholders' meetings to be held on March 25, 1908, of the Northern Construction Co. and the Great Western Railway Co., of Colorado.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 3, 1908, at 11 o'clock a. m.:

The attention of the committee was called to a letter received from the president of the Alameda Sugar Co., of San Francisco, in which the American Sugar Refining Co. was asked for a one year's loan of \$75,000 to \$100,000. No action on this matter was taken.

The annual Massachusetts statement was submitted to the committee and was signed by a majority of the directors present. Mr. Thomas stated that this Massachusetts statement would be filed in Boston on the same day on which the general statement of the company would be ready for delivery to the stockholders.

The attention of the meeting was called to the annual stockholders' meeting of the Great Western Sugar Co., for which notice and proxies had been mailed. The committee decided that the present board of directors should be reelected, and it suggested that Mr. S. C. Hooker should be elected a director to fill the vacancy caused by the death of Mr. H. O. Havemeyer.

Mr. Thomas reported on the San Francisco situation and the Western Sugar Refining Co.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 10, 1908, at 11 o'clock a. m.:

Mr. J. T. Witherspoon, at New Orleans, was authorized to contribute \$1,000 to the traveling expenses of the representative of the Louisiana planters who had accompanied Secretary Taft on his trip to the Philippine Islands.

President Thomas reported on the San Francisco situation, and particularly on the Western Sugar Refining Co., and its lease of the California Refinery, and on motion the whole matter was referred for action to a committee composed of the president and Mr. Horace Havemeyer, with full power.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 17, 1908, at 11 o'clock a. m.:

The president was authorized at his discretion to make loans to the Alameda Sugar Co. in accordance with President J. L. Howard's letter, read at the last meeting, the total not to exceed \$100,000.

The annual statement for 1907 of the farm near Sugar City, Idaho, owned by the company was submitted.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 24, 1908, at 11 o'clock a. m.:

The attention of the committee was called to the annual stockholders' meeting of the Great Western Sugar Co. to be held on March 25, and the committee rec-

ommended that the present board of directors be reelected for one year, and that the existing vacancy be filled by the election of Mr. S. C. Hooker.

The sale of the capital stock of the Great Western Railway Co. of Colorado, owned by this company, to the Great Western Sugar Co. was authorized, payment to be made in the preferred stock of the Great Western Sugar Co. at the rate of one share for two shares of the stock of the Great Western Railway Co. The Great Western Sugar Co. in addition will pay interest on the payments made for the stock of the railway company up to April 1, 1908.

The committee also authorized the sale of the capital stock of the Northern Construction Co., the par value of which is \$20,000, payment to be made in 200 shares of the preferred stock of the Great Western Sugar Co. The Great Western Sugar Co. will also pay interest on \$20,000 from January 6, 1905, to April 1, 1908.

Meeting of the executive committee held at 117 Wall street, New York, on Tuesday, March 31, 1908, at 11 o'clock a. m.:

The Standard Refinery was authorized at a cost not to exceed \$700,000 to increase its capacity to a melt of 2,000,000 pounds per day.

A communication was read from Mr. C. B. Warren relative to the purchase of the plant of the beet-sugar factory at Marine City, Mich., for \$100,000. No action was taken by the committee.

The Western Sugar Refining Company was authorized to increase the annual rent of the California Refinery to \$175,000. The California Refinery must agree to give notice of its intention to renew the lease at least two years before the expiration, or not later than September 30, 1910.

Meeting of the executive committee held at 117 Wall street, New York, on Tuesday, April 7, 1908, at 11 o'clock a. m.:

The president and Messrs. Frazier and Donner were appointed a committee with authority to sell about 10 per cent of the company's holdings of the preferred stock of the Great Western Sugar Co. at par, if they thought it advisable.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, April 14, 1908, at 11.30 o'clock a. m.

Messrs. Donner, Frazier, and Havemeyer were appointed a committee to make certain changes in the terms of selling refined sugar.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, April 28, 1908, at 11 o'clock a. m.:

The Compania Mercantil de Cuba was authorized to expend an amount not to exceed \$30,000 for operating the Santa Catalina plantation in Cuba during the coming season.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, June 3, 1908, at 11 o'clock a. m.:

Mr. Donner reported that the loans made to the several beet-sugar companies last fall, under authority of the committee, had all been repaid, except \$80,000, due from the Iowa Sugar Co. and \$165,000 due from the Continental Sugar Co., and that these two amounts would be carried over to the next campaign, which was approved.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, June 10, 1908, at 11 o'clock a. m.:

Mr. Havemeyer stated that the Illinois Central Railroad Co. had offered to build a warehouse for the storage of refined sugar at one of its stations in southern Illinois, and with the intention of leasing it to this company. On motion, the secretary was authorized to execute a five years' lease with the Illinois Central Railroad Co. for the warehouse, at an annual rent of \$2,200, and with the option of a five years' renewal.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, June 17, 1908, at 11 o'clock a. m.:

On motion, the president and treasurer were authorized to purchase, at 90 cents on the dollar, the \$108,700 of the capital stock of the Iowa Sugar Co., to be issued.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, June 24, 1908, at 11 o'clock a. m.:

Mr. Donner read a letter received from Mr. C. C. Higgins in reference to the company's interest in the Eldridge & Higgins Co., and on motion, Messrs. Donner and Havemeyer were authorized to purchase the remaining common stock of that company, as recommended by Mr. Parsons; also to make satisfactory arrangements with Mr. C. C. Higgins.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, July 22, 1908, at 11 o'clock a. m.:

Messrs. Donner and Havemeyer, committee on the Eldridge & Higgins Co. affairs, acting under the advice of counsel, reported that they had arranged to purchase the remaining common stock of the company at par; to continue Mr. C. C. Higgins as president at a salary of \$20,000; Mr. Higgins furthermore to receive a bonus of \$15,000 and an additional bonus of \$25,000, the latter bonus to be paid when the liquidation of the company has been completed and the full value of the common stock, at par, has been realized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, August 5, 1908, at 11 o'clock a. m.:

The treasurer was authorized to sell the preferred stock of Borden's Condensed Milk Co. owned by this company at not less than par.

The treasurer was authorized to loan to the Continental Sugar Co. the amounts needed for the next campaign.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, August 12, 1908, at 11 o'clock a. m.:

The purchase of \$1,000,000 of Cuban-American bonds was referred to the president and the treasurer with power subject to the approval of counsel.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, September 2, 1908, at 11 o'clock a. m.:

Mr. Thomas reported on a communication from the United States district attorney claiming additional duty on certain cargoes of sugar imported by this company, and on motion the matter was referred to President Thomas and Counsel John E. Parsons for settlement.

Meeting of the executive committee, held at 117 Wall Street, New York, on Wednesday, September 30, 1908, at 11 o'clock a. m.:

Messrs. Donner and Havemeyer reported that they had sold the 750 shares of the capital stock of the Ragus Tea & Coffee Co. owned by this company at par, plus 10 per cent for the profits of the current year, and that they had agreed to accept in part payment \$40,000 of the preferred stock of the Eldridge & Higgins Co. at par.

They had agreed, also, that of the company's loan to the Ragus Tea & Coffee Co., \$100,000 is to be paid now, and that the balance of \$200,000 is to be extended for one year, with interest at 6 per cent and with the understanding that the directors of the Ragus Tea & Coffee Co. pass a resolution that no mortgage or lien of any kind will be placed on their building at Washington and Laight Streets, this city, until the loan has been repaid.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, October 7, 1908, at 11 o'clock a. m.:

Messrs. Donner and Havemeyer, the special committee in charge of the Eldridge & Higgins Co., were requested to pursue the policy of the liquidation of that company, and they were authorized to make cash advances to it if necessary.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, October 28, 1908, at 2.15 o'clock p. m.:

The president stated that he had sold the Havana warehouse property for \$300,000, which was approved. He further stated that he had authorized the sale of the Baltimore Refinery property at \$40,000, subject to a brokerage of 2½ per cent, which was also approved.

Mr. Donner stated that he had arranged with Mr. T. J. Finlay to go to the Woolson Spice Co., Toledo, Ohio, to represent the American Coffee Co.'s interest in that company; that he is to be elected secretary of the Woolson Co., and in addition to his present salary of \$4,000 per annum he is to receive at rate of \$3,500 per annum during the time he remains in Toledo.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, November 4, 1908, at 11 o'clock a. m.:

The president and the treasurer stated that instead of purchasing \$1,000,000 of the bonds of the Cuban-American Co., as authorized at the meeting of August 12, 1908, they had, by the advice of counsel, made a loan to the Cuban-American Co. for one year of \$1,000,000, with interest at 6 per cent and secured by \$1,200,000 of the bonds of that company as collateral, which was approved.

The president stated that he had sold the Baltimore Refinery property at \$35,000, subject to a brokerage of 3½ per cent, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, November 18, 1908, at 11 o'clock a. m.:

The president reported that he had sold the Borden's Condensed Milk Co. stock owned by this company, which was approved; and that he had authorized the sale of the Chicago, Burlington & Quincy Railroad Co. joint 4 per cent bonds, which was also approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 22, 1908, at 11 o'clock a. m.:

On motion, the president was authorized, under the advice of counsel, to make application to the New York Stock Exchange for the transfer of the quotations of the common and preferred stock of the company from the unlisted to the listed department.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 2, 1909, at 11 o'clock, a. m.:

The attention of the committee was called to the annual stockholders' meetings of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co., to be held at Philadelphia on February 3, and on motion the president was requested to give proxies to Mr. George H. Frazier to vote the company's stock at those meetings, and for the reelection of the present board of directors and officers.

On motion, Messrs. Donner and Havemeyer, the special committee in charge of the Eldridge & Higgins Co., were authorized, with the approval of counsel, to purchase the total of the preferred stock of that company at par and accrued interest.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 9, 1909, at 11 o'clock a. m.:

The Spreckels Refinery was authorized to expend \$18,000 to replace the portable steam hoisting engines with boilers attached, now in use at its wharves, with electric hoisting engines.

The attention of the committee was called to the annual stockholders' meeting of the Western Sugar Refining Co. of San Francisco, to be held on March 29, 1909, and on motion Messrs. Arthur Donner and C. H. Senff were requested to give proxies to Mr. W. H. Hannam to vote the company's stock at the meetings, and for the reelection of the present board of directors and officers.

Proxies were also authorized for the annual stockholders' meetings of the Great Western Railway Co. and the Northern Construction Co. of Colorado.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 16, 1909, at 11 o'clock a. m.:

The president reported the sale of 1,800 shares of American Beet Sugar Co.'s stock, which was approved, and a further sale of 8,000 shares was authorized.

The American Coffee Co. was instructed to sell the 23,000 bags of coffee held in storage in Brooklyn.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 23, 1909, at 11 o'clock a. m.:

It was reported to the committee that the United States Government had commenced to reliquidate all entries for raw sugar imported by the American Sugar Refining Co. of New York from December 1, 1901, to November 20, 1907, and that it would demand payment of additional duties, and on motion the president was authorized, by advice of counsel, to protest and appeal against these reliquidations, but to pay under protest the additional duty demanded.

The president was authorized, under advice of counsel, to settle the claim made by the city of Brooklyn for water used at the Havemeyer & Elder refinery for an amount not to exceed \$60,000.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 30, 1909, at 11 o'clock a. m.:

A communication from President John L. Howard, of the Alameda Sugar Co., in reference to the increase of the capital stock of that company was referred to the president and treasurer.

The president was authorized to sell 1,000 shares of the preferred stock of the Great Western Sugar Co. at par.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 13, 1909, at 11 o'clock a. m.:

The president reported that the payments made to the United States Government under protest for additional duties on importations of raw sugars, in accordance with the resolution of the committee of March 23, 1909, amounted to date to \$1,239,088.38.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 20, 1909, at 11 o'clock a. m.:

The president was authorized to sell an additional 5,000 shares of the preferred stock of the Great Western Sugar Co. at par.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 27, 1909, at 11 o'clock a. m.:

The president reported that he had sold 5,000 shares of the stock of the American Beet Sugar Co., which was approved, and he was authorized to sell another 5,000 shares of the stock at his discretion.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 11, 1909, at 11 o'clock a. m.:

The president was authorized to sell at his discretion, a further 10,000 shares of the stock of the American Beet Sugar Co.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, May 25, 1909, at 11 o'clock a. m.

The president reported that, as the Eldridge & Higgins Co. had ceased to be of any benefit to this company, and as its business was being carried on at a loss, he had, after consultation with the officers of the company and subject to the approval of the executive committee and directors, made an agreement with Mr. C. C. Higgins to deliver to him this company's interest in the Eldridge & Higgins Co., consisting of 6,250 shares of common stock, 4,698 shares of preferred stock, and \$961,000 in notes, on payment of \$514,094, with interest from May 20, 1909; that Mr. Higgins had executed promissory notes for the amount and that the stock and notes of the Eldridge & Higgins Co. would be delivered to him as soon as all the notes have been paid, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, June 1, 1909, at 11 o'clock a. m.:

Loans to the Iowa Sugar Co. in amounts as wanted, the total not to exceed \$100,000 in addition to the \$50,000 now owed by that company, were authorized.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, June 15, 1909, at 11 o'clock a. m.:

The treasurer reported that he had paid the bills rendered by Mr. H. W. Taft, John G. Milburn, and John G. Johnson for legal fees in the suit of the Pennsylvania Sugar Refining Co. against the American Sugar Refining Co., as approved by Mr. Closson, and which action was approved by the committee.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, July 13, 1909, at 11 o'clock a. m.:

Mr. Mott reported that the contract with the Sugar Factors Co., Limited, of Hawaii, had been renewed for three years, or from October 1, 1910, to October 1, 1913, and which was approved by the committee.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 3, 1909, at 11 o'clock a. m.:

Mr. J. T. Witherspoon was authorized to contract in the coming season for 100,000 tons of Louisiana sugar, delivered at the Chalmette Refinery at three-sixteenths cents per pound below New York price on day of delivery.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 10, 1909, at 11 o'clock a. m.:

The president was authorized, at his discretion, to sell the remaining 5,000 shares of American Beet Sugar common stock owned by this company.

The manufacturing committee was authorized, under the direction of the president, to sell the machinery of the American Coffee Co. and of the Brooklyn Distillery.

Meeting of the executive committee, held at 117 Wall Street, New York, on Tuesday, August 24, 1909, at 11 o'clock a. m.:

Messrs. Donner and Helke were authorized to give proxies to President J. L. Howard, of the Alameda Sugar Co., authorizing the increase of the capital

stock of that company from \$750,000 to \$1,500,000; at the same time Mr. Howard should be notified that our company did not intend to subscribe to any of the new stock to be issued.

The sale of the farm owned by the company near Sugar City, Idaho, at \$70,000 was authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, August 31, 1909, at 11 o'clock a. m.:

Loans to the Continental Sugar Co. for the coming campaign, and in amounts as wanted, the total not to exceed \$600,000, were authorized.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, September 28, 1909, at 11 o'clock a. m.:

Mr. Donner stated that he had sold the American Coffee Co.'s seat in the Coffee Exchange for \$1,475 net.

The secretary reported that he had received from the Alameda Sugar Co. the notice of the special meeting of the stockholders to be held on November 24, 1909, for the purpose of submitting to them the proposition to increase the capital stock of the company from \$750,000 to \$1,500,000, and that it was now proposed to make the new stock a preferred one, with a 7 per cent per annum cumulative dividend. The committee took no action on this matter but referred it to a later meeting.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 5, 1909, at 11 o'clock a. m.:

Mr. Donner was requested to inform the Cuban-American Sugar Co. that it was not this company's intention to renew the note for \$1,000,000 due October 30.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, October 13, 1909, at 11 o'clock a. m.:

The renewal of the loan to the Cuban-American Sugar Co., due October 30, was referred to the president and the treasurer with power.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 19, 1909, at 11 o'clock a. m.:

Loans to the Western Sugar Refining Co. in amounts as wanted, the whole not to exceed \$1,000,000, were authorized.

Mr. Donner reported that he had extended the loan to the Cuban-American Sugar Co. for \$1,000,000, maturing on October 30, 1909, namely, one-half of the amount to April 1, and one-half to July 1, 1910, which was approved.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, October 26, 1909, at 11 o'clock a. m.:

Loans to the Michigan Sugar Co. in amounts as wanted, the total not to exceed \$500,000, were authorized.

Sales of further 2,000 shares of the preferred stock of the Great Western Sugar Co. were authorized, making the total of the shares to be sold 8,000.

Meeting of the executive committee held at 117 Wall Street, New York, on Wednesday, November 3, 1909, at 11 o'clock a. m.:

Sales of a further 1,000 shares of the preferred stock of the Great Western Sugar Co. were authorized, making the total of shares to be sold 9,000.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 14, 1909, at 11 o'clock a. m.:

President Thomas was authorized at his discretion to sell 3,000 shares of the preferred stock of the Michigan Sugar Co.

Mr. James M. Beck was appointed the general counsel of the company, with an annual salary of \$25,000 from January 1, 1910.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, December 21, 1909, at 11 o'clock a. m.:

The president was authorized at his discretion to sell 5,000 shares of the preferred stock of the Great Western Sugar Co. at not less than par.

The president was authorized at his discretion to sell 5,000 shares of the Michigan Sugar Co.'s common stock instead of 3,000 shares common stock and 2,000 shares preferred stock, as authorized at the last meeting.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 4, 1910, at 11 o'clock a. m.:

The drawing of the check for \$750,000 to the order of John G. Johnson, and the request made to Gustave E. Kissel for delivery of securities in settlement of the Pennsylvania Sugar Co.'s claim, were approved.

The president stated that he had sold 5,000 shares of the Michigan Sugar Co.'s common stock at 65, which was approved.

An additional appropriation of \$10,147.34 was authorized, to cover the balance of the expenses incurred in preparing plans and specifications of buildings and machinery required for beet-sugar factories, in accordance with the resolution passed by the committee at their meeting of January 14, 1908.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, January 11, 1910, at 11 o'clock a. m.:

The president reported that he had increased the salary of Dr. S. C. Hooker to \$50,000 per annum from January 1, 1910.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, February 1, 1910, at 2.30 o'clock p. m.:

The secretary notified the committee that the annual stockholders' meetings of the Franklin Sugar Refining Co. and the Spreckels Sugar Refining Co. would be held in Philadelphia on February 1. The committee directed that proxies for the stock of this company for the meetings of the two Philadelphia companies be given to George H. Frazier, and that he be requested to vote for the following named as directors of the companies, viz:

Spreckels Sugar Refining Co.: W. B. Thomas, Arthur Donner, George H. Frazier, Horace Havemeyer, S. C. Hooker.

Franklin Sugar Refining Co.: W. B. Thomas, Arthur Donner, George H. Frazier, Horace Havemeyer, W. W. Harrison.

The officers to be elected, and who are to be the same for both companies, are: President, W. B. Thomas; vice president, Arthur Donner; secretary, W. W. Frazier, jr.; treasurer, George H. Frazier; assistant treasurer, Joseph A. Ball.

The president was requested to instruct our customhouse clerk, Denison, to notify the manufacturing committee whenever in any importation of sugar the customhouse weight and the landed weight show a difference exceeding one-half per cent.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 8, 1910, at 10.30 o'clock a. m.:

The president was authorized to sign the agreement between the American Sugar Refining Co. and George H. Macy, the Ragus Tea & Coffee Co. and the Union-Pacific Tea Co. and which is in settlement of all claims between these parties. In accordance with it the American Sugar Refining Co. will pay \$42,775.75 and extend for five years from January 1, 1910, with interest at 4½ per cent the Ragus Tea & Coffee Co.'s note for \$200,000, which matured in October, 1909.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 15, 1910, at 10.30 o'clock a. m.:

The statement of the profit and loss account for the year 1909 and of the assets and liabilities as of December 31, 1909, of the American Sugar Refining Co. and its constituent companies, to the correctness of which Messrs. Church & McCulloh, certified public accountants, of 55 Wall Street, New York, had certified, was received and the secretary was directed to send copies of it to the stockholders.

The treasurer was authorized to employ Messrs. Church & McCulloh to examine the company's method of bookkeeping and to suggest such changes as may seem to them desirable.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, March 22, 1910, at 11 o'clock a. m.:

The secretary stated that he had received for his files a copy of the annual statement of the American Sugar Refining Co. and its constituent companies giving the profit and loss account for the year 1909, and the balance sheet as of December 31, 1909, to which was attached the signed certificate of Messrs. Church & McCulloh. It is to be noted that in this revised statement the reduction of the surplus from that of last year is \$1,395,949.89, as against \$1,717,606.39 in the first statement submitted to the directors at their meeting of February 18, 1910.

The usual reports were made on the raw and the refined sugar markets.

Meeting of the executive committee held at 117 Wall Street, New York, on Tuesday, April 19, 1910, at 11 o'clock a. m.:

The president was authorized to sell of the Great Western Sugar Co.'s common stock an amount not to exceed 10 per cent of this company's holdings at not less than \$60 per share.

Regular weekly meeting of the executive committee of the American Sugar Refining Co. was held at 117 Wall Street, New York, on Tuesday, June 28, 1910, at 11 o'clock a. m.

In response to letter of C. S. Morey, dated June 13, 1910, it was voted that the 5,000 shares of preferred stock of the Great Western Sugar Co. should be returned to us.

The regular weekly meeting of the executive committee was held at 177 Wall Street, New York, on Wednesday, July 6, 1910, at 11 o'clock a. m.

The president stated that offers had been made to purchase Michigan sugar common stock, and, on motion, the president was authorized in his discretion to make sales up to 1,500 shares.

The regular weekly meeting of the executive committee was held at 117 Wall Street, New York, on Tuesday, July 26, 1911, at 11 o'clock a. m.

The president of the company was authorized to loan to the Iowa Sugar Co. a sum not exceeding \$200,000, including advances already made.

The regular weekly meeting of the executive committee was held at 117 Wall Street, New York, on Tuesday, October 25, 1910, at 11 o'clock a. m.

The president reported the sale of 2,500 shares of stock of the Michigan Sugar Co. at the price of \$100 per share.

On motion, duly made and seconded, it was—

Resolved, That the treasurer be authorized to loan to the Iowa Sugar Co. a sum not exceeding \$300,000, including advances already made."

The regular weekly meeting of the executive committee was held at 117 Wall Street, New York, on Wednesday, November 9, 1910, at 11 o'clock a. m.

The following resolution was unanimously adopted:

Resolved, That the treasurer be authorized to loan to the Iowa Sugar Co. a sum not exceeding \$400,000, including advances already made."

Regular weekly meeting of the executive committee was held at 117 Wall Street, New York, on Tuesday, December 6, 1910, at 11 o'clock a. m.

The matter of selling 3,000 shares of the preferred stock of the Great Western Sugar Co. was referred to Mr. Thomas, with power to act.

The regular weekly meeting of the executive committee was held at 117 Wall Street, New York, on Tuesday, December 27, 1910, at 11 a. m.

The salary of Mr. James M. Beck, as general counsel of the company, for the year commencing January 1, 1911, was fixed at \$36,000.

The regular weekly meeting of the executive committee was held at 117 Wall Street, New York, on Tuesday, January 17, 1911, at 11 o'clock a. m.

Upon motion, duly made and seconded, the following resolution was adopted, Dr. Hooker voting in the negative:

Resolved, That the officers of the company be, and they are hereby, authorized to sell 3,594 shares of the common stock of the Great Western Sugar Co., or any part thereof, at not less than \$60 per share."

The regular weekly meeting of the executive committee was held at 117 Wall Street, New York City, on Tuesday, January 24, 1911, at 11 o'clock a. m.

The committee recommended that the salary of the chairman of the board be fixed at \$25,000 per annum.

The regular weekly meeting of the executive committee was held at 117 Wall Street, New York City, on Tuesday, February 7, 1911, at 11 o'clock a. m.

The following resolution was adopted:

Resolved, That Mr. George H. Frazier or Mr. Joseph A. Ball be authorized to vote or to give the proxy of the company upon all stock owned by it in the Spreckels Sugar Refining Co. at the annual meeting of that company, to be held on February 10, 1911, or any adjourned meeting thereof."

The following resolution was adopted:

Resolved, That Mr. George H. Frazier or Mr. Joseph A. Ball be authorized to vote or to give the proxy of the company at the annual meeting of the Franklin Sugar Refining Co., to be held on February 10, 1911, or any adjourned meeting thereof."

The regular meeting of the executive committee was held at 117 Wall Street, New York, on Tuesday, May 23, 1911, at 11 o'clock a. m.

The treasurer was authorized to loan the Iowa company, from time to time as their business wants require, an amount not exceeding \$200,000 in excess of the present obligations.





